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U. S. DEPT. OF AGRICULTURE

VOL. III, No. 12
December 1939

# Foreign Agriculture

*. . . . . a Review of Foreign Farm Policy, Production, and Trade*

Issued Monthly by
UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS
WASHINGTON, D. C.

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# BRITISH FOOD CONTROL . . . . .

By Harry L. Franklin[*]

*In wartime, the safeguarding and assurance of adequate food supplies are no less important than of armament and military equipment. In the United Kingdom, some 2 years of planning and organizational work toward this end were carried out prior to the present war by the Food (Defense Plans) Department, now the Ministry of Food. An elaborate food-control system has been developed since September 3, 1939. Prices and stocks of several major food products are strictly controlled. Domestic farm output is to be considerably enlarged through devoting permanent grassland to arable-crop cultivation. This has a significant bearing on exports of United States farm products to the United Kingdom, customarily valued at around $250,000,000 per year, or about one-third of the United States total to all countries.*[†]

Great Britain is dependent upon imports for around 65 percent of its total food requirements. For wheat, its breadstuff base, and sugar, the figure is approximately 75 percent. This situation makes the country particularly vulnerable in wartime, as the World War demonstrated when in the summer of 1917 enemy submarine activity greatly endangered Great Britain's food supply. Although a Food Controller was appointed in December 1916, it was not until July 1918, after nearly 4 years of war, that a general system of food rationing became operative in Great Britain.

In developing its program of economic and military rearmament since 1936 in order to insure the national defense, the British Government has had the experience of the World War period to draw on,[1] and now enters another European war with an elaborate and comprehensive system of food (and other supplies) control largely completed, which is considered superior even to that obtaining at the end of the World War. The essential elements of the present set-up to provide for food supply, storage, control, and distribution are the former Food (Defense Plans) Department, now absorbed into the new Ministry of Food; the Board of Trade; and the Ministry of Agriculture and Fisheries. Legislation of particular import is embodied in the Essential Commodities Reserves Act, 1938; the Agricultural Development Act, 1939; the Emergency Powers (Defense) Act, of August 24, 1939; and the Import, Export, and Customs (Defense) Act, of September 1, 1939.

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[†] See "Agriculture in the Anglo-American Trade Agreement," *Foreign Agriculture*, December 1938

[1] "British Food Control," by Sir W. H. Beveridge, and "Food Production in War," by T. H. Middleton, both in *Economic and Social History of the World War* (British Series), Carnegie Endowment for International Peace, 1928 and 1923, respectively.

## BRITISH WARTIME CONTROL OF AGRICULTURE AND ITS PRODUCTS

(Preliminary - as of November 1939)

| ORGANIZATIONS | THE MINISTRY OF FOOD<br>(Includes former Food [Defense Plans] Department of the Board of Trade) | MINISTRY OF AGRICULTURE | BOARD OF TRADE | MINISTRY OF SUPPLY |
|---|---|---|---|---|
| Main | | | | |
| Components | 18 Divisional food officers in Great Britain and chief divisional officers in London and the Home Counties.<br>Marketing Boards (Milk, Pigs, and Potatoes), formerly under the Ministry of Agriculture.<br>Food Control Committees (local) established throughout Great Britain. | County Agricultural Advisers.<br>County War Agricultural Executive Committees.<br>Subcommittees of the foregoing. | Import Licensing Department.<br>Export Licensing Department. | Special sections or "Controls" relating to the various industrial raw materials.<br>Cotton Control Board (appointed chiefly from the trade).<br>Cotton Controller.<br>Trade associations collaborating closely with the Ministry of Supply in the commodity "Controls" and otherwise. |
| FUNCTIONS | Acquisition of foreign supplies and domestic stocks of essential foodstuffs.<br>Formulation and imposition of price-control measures.<br>Distribution of foodstuffs (including rationing). | To insure that agricultural land is used efficiently and exclusively for production of essential foodstuffs.<br>To increase total farm output through large shift from grassland to food-crop acreage. | Control of imports (and exports), in close cooperation with the Ministry of Food as regards foodstuffs. | Control over prices, stocks, and distribution of industrial raw materials.<br>The Cotton Control Board's functions for the present are largely investigational and advisory; regulatory powers over imports, etc., may be conferred later. |
| OPERATIONS | *Price control* - Maximum (wholesale and/or retail) prices or those not above the average prevailing for a specified prior period of days. Application thus far to the following products: Sugar, tea, eggs, flour, livestock (hogs, sheep, and fat cattle), bacon and hams, other meat, oils and fats, condensed milk, canned salmon, dried fruits, potatoes, and feedstuffs.<br>*Control of stocks* - Domestic stocks and in some instances shipments afloat or British-owned abroad. Application thus far to cereals and cereal products, canned meats, oils and fats, certain oilseeds, tea, and sugar.<br>*Ration cards* have been printed. Rationing of butter and bacon on January 8, 1940, announced. | Announced program for an additional 2,000,000 acres (chiefly grassland) to be placed in cultivation for foodstuffs (and some increase in flax production) in the United Kingdom; subsidy of £2 ($8) per acre for approved grassland thus plowed up. Farmers urged to increase acreages of winter wheat, and next spring to increase oats, barley, flax, and potato acreages.<br>Farm machinery and fertilizer to be distributed through local agricultural committees but details of plans in this regard not yet available.<br>The Government will purchase, at fixed prices, all staple crops sold off farms from the 1940 harvest. | *Import control* of a long list of products, prohibited except under license, including certain fruits and canned vegetables (other than tomatoes). Restricted imports of many products indicated (primarily to conserve foreign exchange, or provide shipping space for other requirements), including poultry and meat pastes, sausages (canned or otherwise preserved), hops, hop oil, and dried vegetables (other than peas, beans, and lentils).<br>*Removal of import quota* restrictions on hams, bacon, and processed milk.<br>*Compulsory commodity insurance* scheme against war loss or damage by dealers in most agricultural products whose stocks exceed £1,000 in value.<br>*Export control* of a long list of essential commodities (including major foodstuffs), prohibited except under license. | Control is exercised by the Ministry, or organizations under its direction, over stocks, prices, and distribution of wool, silk and rayon, hemp, jute, flax, industrial alcohol, molasses, and certain other industrial raw materials and half-fabricates, such as hides and skins, timber, nonferrous metals, iron and steel, and paper. |

Fig. 1.

## ORGANIZATION AND LEGISLATION

### FOOD (DEFENSE PLANS) DEPARTMENT

One of the most important steps in Great Britain's economic rearmament policy was the establishment of a special department in the Board of Trade, the Food (Defense Plans) Department, in November 1936, under the direction of Sir Henry French, then second secretary in the Ministry of Agriculture. The functions of the Department were to formulate plans for the supply, control, and distribution of food for defense purposes after the outbreak of hostilities; it was not concerned with domestic farm production, which remained under the Ministry of Agriculture.

The aim of these plans, as stated by the Food (Defense Plans) Department,[2] was (1) to secure in wartime an uninterrupted supply in the United Kingdom of all essential foodstuffs; (2) to reduce to a minimum the inconvenience and delay caused by any dislocation in the movement and distribution of foodstuffs resulting from war conditions; and (3) to insure in wartime that supplies of essential foodstuffs at controlled prices were available to meet the requirements of all types of consumers and in all parts of the country.

It was also the aim of the Food (Defense Plans) Department, according to its annual report for 1937, to anticipate every important problem that a future Ministry of Food might be called upon to deal with during, say, the first 6 months of food control. The annual report also outlined several supply-distribution-control schemes for such commodities as cereals, flour, bread, butcher's meat, bacon and hams, sugar, tea, and edible fats, worked out in consultation with leading members of the various food trades and the Ministry of Agriculture.

In order to assist in the regulation of supply and demand in wartime, 18 divisional food officers were appointed in Great Britain and chief divisional officers for London and the Home Counties to cooperate with, or possibly supervise, some 1,400 local Food Control Committees to be established throughout the country. Also food executive officers for these future local control committees were appointed, in most cases the clerk to the local authority. In this fashion a "shadow" organization was set up throughout Great Britain to facilitate the introduction of rationing and other aspects of food control in the event of war.

Food-control plans were virtually completed by the Food (Defense Plans) Department and a large part of the requisite organizational set-up established in collaboration with the various food trade associations several months before the outbreak of the present war. All this greatly facilitated the establishment early in September of the new Ministry of Food, which absorbed the Food (Defense Plans) Department of the Board of Trade.

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[2] *Report of the Food (Defense Plans) Department for the year ended December 31, 1937*, London, 1938, 39 pp.

## THE MINISTRY OF FOOD

The chief functions of the new Ministry of Food are (1) the acquisition of food supplies from abroad; (2) the imposition of price-control measures; (3) the control over domestic stocks of important foodstuffs; and (4) the organization of distribution (including food rationing). W. S. Morrison, a former Minister of Agriculture, was appointed Minister of Food on September 4, and Sir Henry French, until then Director of the Food (Defense Plans) Department, became Secretary.

A number of sections have been set up in the Ministry of Food, each dealing with a particular commodity or commodity group, with the section or "control" chief being assisted by trade advisers. The methods of control vary, however, in accordance with the particular circumstances in each branch of the trade. For instance, for cereals and cereal products, contact by the Ministry with the trade is through a special board, the Cereals Advisory Control Board, on which commercial interests are represented.

The Ministry of Food will have a monopoly of the British import trade in foodstuffs, or at least all such imports will be under the Ministry's control. Responsibility in general for the acquisition of foreign supplies has been delegated to a General Supplies Division. Though some flexibility will no doubt be exercised, it is understood that centralized buying will be adopted for certain important staples. In this regard, certain individuals have already been designated as buyers.

Price control, largely in the form of established maximum prices, has been applied by the new Food Ministry to most important foodstuffs; and the assumption of control over stocks has been almost as comprehensive as price control. The Ministry's activity in connection with the organization of distribution has thus far been confined in large part to decentralization of the physical handling and storage of essential foodstuffs. Plans have been completed, however, for the introduction of individual ration cards on January 8, 1940.

In addition to the 18 divisional food officers in Great Britain and chief divisional food officers in London and the Home Counties, the Ministry of Food is assisted in controlling the prices and distribution of foodstuffs by the numerous local Food Control Committees. There is a Food Control Committee for the area of every local authority or a Joint Food Control Committee where local authorities combine for that purpose. In England and Wales, each committee comprises 15 members, 5 of which must be from the retail food trades, and the remaining 10 (2 of which must be women) persons may be regarded as representative of all classes of persons within the area. Retail dealers in foodstuffs are licensed by the local Food Control Committees, and such license may be suspended or revoked in accordance with instructions issued by the Ministry of Food.

## BOARD OF TRADE AND MINISTRY OF AGRICULTURE

The Board of Trade, under the provisions of the Import, Export, and Customs Powers (Defense) Act, 1939, is empowered to control the importation into, and exportation from, the United Kingdom of all commodities and kinds of goods. Under this authority, the Board of Trade has already prohibited imports and exports of a large number of products except under license by the Board. Consequently, the Board of Trade and the new Ministry of Food, in view of the latter's activities in the acquisition of supplies of foreign foodstuffs, will have to cooperate very closely in importations of this kind. There will doubtless be other work in connection with food control by the Board of Trade, now that its former Food (Defense Plans) Department has been taken over by the new Ministry of Food. (The Board of Trade corresponds in a general way to the United States Department of Commerce.)

Domestic farm production remains within the jurisdiction of the Ministry of Agriculture; and in addition that Ministry has been given far-reaching control over the entire agricultural industry of the United Kingdom, under the provisions of the Defense Regulations of August 25 promulgated in pursuance of the Emergency Powers (Defense) Act, 1939. The program calls, among other things, for increased farming efficiency, and greatly enlarged foodstuff output through a shift from grassland to arable cultivation. Incidentally, it may be pointed out that there is not a unified Ministry of Agriculture for the United Kingdom, but rather three separate organizations, which cooperate closely with each other; namely the Ministry of Agriculture and Fisheries (for England and Wales), the Department of Agriculture for Scotland, and the Ministry of Agriculture for Northern Ireland.

## LEGISLATION

The *Essential Commodities Reserves Act, 1938,* empowered the Board of Trade to conduct activities in connection with the storage, preservation, and transport of essential commodities (including foodstuffs, feedstuffs, and fertilizer for land). It also authorized the establishment of a fund to be called "The Essential Commodities Reserves Fund," into which should be paid such moneys as Parliament might determine. Few details are known regarding the operation of this act other than that about £8,500,000 in 1938 and at least £5,000,000 in 1939 (and possibly a great deal more) were expended for the storage of wheat, other foodstuffs, and certain raw materials.

The *Agricultural Development Act, 1939,* effective July 28, 1939, aimed to encourage increased agricultural output in the United Kingdom, (1) by protecting farmers against low prices for oats, barley, and fat sheep through subsidy payments under certain conditions; (2) by promoting the plowing up of grassland and rendering it fit for arable crops, through a subsidy payment of £2 (equivalent to $8)[3] per acre; (3) by the establishment of a reserve of tractors and other agricultural machinery; and (4) by increasing the resources of the Agricultural Mortgage Corporation.

The day after the conclusion of the Russo-German pact, Parliament passed the *Emergency Powers (Defense) Act, 1939,* which received royal assent the same day (August 24). This act, essentially a "Defense-of-the-Realm" act (during the World

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[3] Conversions throughout this article are made at the rate of $4 02 per pound sterling.

War referred to as "D.O.R.A."), empowers the Government to make such defense regulations by orders in council as may appear to be necessary or expedient, for the purpose, among other things, of maintaining supplies and services essential to the life of the community.

Under the foregoing authority, the *Defense Regulations, 1939,*[4] were promulgated on August 25. Rules 61, 62, 63, 66, and 67 of the Defense Regulations confer powers on the Minister of Agriculture for comprehensive control of agriculture in the United Kingdom.

The *Import, Export, and Customs Powers (Defense Act), 1939,* (enacted on September 1) authorizes the Board of Trade to control the importation into, and exportation from, the United Kingdom of all kinds of goods or products.

## FOOD-CONTROL ORDERS AND OPERATIONS

After the declaration of war on September 3, 1939, there were issued successively a large number of Statutory Orders and Regulations, referred to herein as "orders," pertaining to the British food supply during the war emergency. The following is a summarization, at least of the more important features, of the information thus far received in the Office of Foreign Agricultural Relations regarding the British control of imports, exports, prices, and stocks of foodstuffs. It need hardly be pointed out that, at this juncture, only a preliminary picture of the intricacies of the British food-control system can be formed owing to the fact that orders are still being issued, either amending previous orders or extending some control feature to a product not previously covered. Consequently, readers are cautioned that the following price and other control data relating to the various food products are presented to give general information or "background" rather than to serve as complete and currently accurate marketing data, which, obviously, under existing conditions is impossible in a monthly periodical. The organization of the various controls is shown in figure 1, page 546.

### IMPORT CONTROL

The Board of Trade on September 4 issued an order prohibiting imports of a long list of products except under license by the Board's Import Licensing Department. The order exempted goods despatched to the United Kingdom before September 5. Some of the agricultural products on the list were certain fresh fruits, fruit juices, canned vegetables other than tomatoes, honey, hops and certain hop products, poultry and game, and meat extracts.

Importers were advised not to make arrangements for imports until they had either obtained a license for the commodities listed or ascertained definitely that a license would be granted. (With regard to payment for American shipments, the following information was contained in an official cablegram from London dated October 31: Both the Ministry of Food and private importers are allowed to pay for imports from the United States in either dollars or sterling. There is no question of asking American exporters to accept payment in blocked sterling. Dollars at the official rate are granted for all goods that have been, or will be, actually imported.)

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[4] *Statutory Rules and Orders 1939,* No. 927, 68 pp.

On September 5 the Board of Trade announced a list of items for which no import licenses would be granted until further notice. The list included flowers; poultry and meat pastes; sausages (canned or otherwise preserved); meat pies; caviar; canned or preserved crabs; lobsters and oysters; confectionery of all kinds; hops; hop oil; extracts and similar preparations made from hops; and dried vegetables (other than peas, beans, and lentils).

With respect to other commodities on the import list, the order states that licenses will be issued for limited quantities, the actual allocations being calculated for the time being on the basis of the trade of each importer during the 12 months ended August 31.

It is emphasized by the Board of Trade that the adoption of the import-licensing arrangement does not mean that the items listed may not be imported, except where an absolute embargo may be ordered. In granting licenses, the foreign-exchange situation will be the dominating factor. Shipping space and war requirements, however, will also be taken into consideration. Since the objective is to save exchange in order to utilize foreign-exchange resources for the importation of absolute necessities, a virtual ban, it is intimated, will be imposed on the imports of all luxury and semiluxury items that can be supplied in adequate volume by home resources.

It should be noted that import licenses are not required for most staple products, such as wheat and wheat flour, cotton, tobacco, pork, and lard, all of which are important items in American exports to the United Kingdom.

Open general license has been issued by the Board of Trade for the importation without restriction of several of the products previously restricted, including citrus-fruit juice, grape juice, meat extracts, hazel and Brazil nuts, chestnuts, dried vegetables (other than peas, beans, and lentils), canned beans (except runner), yeast, and block milk, according to a cablegram from London, dated November 14. Until further notice, however, license applications will not be considered for cider and perry, sweet pickles other than chutney, canned vegetables other than dried (except beans other than runner).

The importation is prohibited, except under license, of fresh apples, pears, pepper, and apricot and peach kernels, effective November 20 (except goods despatched to the United Kingdom before that date), by an order issued by the Board of Trade on November 16, according to a London cablegram from the American Embassy. The order also states that "no application will be entertained, until further notice, for import licenses in respect of these commodities; but, as regards apples and pears and pepper, an open general license has been issued permitting importations from Empire countries until further notice."

EXPORT CONTROL

The exportation of several kinds of industrial raw materials and certain agricultural products (mainly oilseeds, vegetable oils, and raw cotton) was prohibited, except under license by the Board of Trade through its Export Licensing Department, in an order effective August 24. This list of products requiring an export license was greatly expanded on September 1; and, in addition to a wide range of industrial materials, half-fabricates, and manufactured goods, there were included grain and flour, live animals for food, meat, dairy produce, fresh fruits and vegetables, all other foodstuffs, tobacco, feedstuffs, and wool.

Some relaxation in the export list of products for which individual licenses are required has been provided since September 1, primarily through the issuance of open general licenses by the Board of Trade for certain products, notably tobacco, poultry and meat pastes, wines, tea, malt extracts, and condiments. The owner or shipper, however, may be required to offer proof, if requested by the Commissioners of Customs and Excise, that such goods were duly delivered to the destination stated in the shipping documents.

CONTROL OF PRICES AND SUPPLIES

Many orders regulating prices of foodstuffs and/or applying to the disposition of domestic stocks have been issued, beginning with September 3, by either the Board of Trade, including its special department, the Food (Defense Plans) Department, or the Ministry of Food. Maximum prices, or prices not to exceed the average for a specified period prior to the order, applying to the retail and/or wholesale trade in several important foodstuffs have been established. Incidentally, an order, dated August 31, to prevent food hoarding prohibited the acquisition or purchase of excessive quantities of food, that is, more than I week's supply of any kind of food or supply for such longer period as ought fairly to be allowed on account of special circumstances. Food dealers were, of course, excepted. Another order by the Board of Trade, dated September 6, forbade dealers to enforce, or attempt to enforce, in connection with the sale of any article of food, any condition relating to the purchase of any other article.

*Cereals and cereal products* - An order fixing the price at which imported and home-milled flour may be sold was issued on September 3 by the Board of Trade. A basic price of 22s. ($4.42) per 280-pound sack was fixed for "straight run" flour.[5] The order provides that flour of better quality shall exceed the basic price by the amount of the customary difference in the trade of the particular miller or importer during the 14 days immediately preceding September 3.

The flour price fixed by the order is the delivered price. If delivery is taken by the buyer at the premises where the flour is stored, the price is to be

[5] Straight-run flour is defined as "flour produced in the United Kingdom by running together all the flour streams of a milling plant which is set to separate as flour not less than 70 percent of the total weight of clean wheat which is the feed to the break rolls."

reduced by the amount recognized by the district associations of flour millers and importers as the customary allowance in the district in such circumstances. The price is to be increased, however, by the amount of any quota payments under the Wheat Acts that have been paid or may become payable. The order also provides that no sales shall be made for delivery at a date beyond a period of 7 days from the date of sale.

All flour mills and mills producing provender and feeding compounds, breakfast foods, or other cereal products, except rice and soybean products, were placed under the control of the Board of Trade by another order, effective September 4. Millers were required to forward to the Wheat Commission a return showing actual or potential output for each mill and particulars of grain-intake facilities. No miller may operate his plant or make deliveries except under license. The order also provides that except by special authority only "straight run" flour may be produced and that no miller may make deliveries of flour against existing contracts at any price other than the price fixed by the law at which such flour may be sold.

All stocks of cereals and cereal products in, or arriving in, the United Kingdom, other than those held by mills, in excess of 50 long tons, were required to be placed at the disposal of the Port Area Grain Committees (located at London, Liverpool, and five other ports) appointed by the Board of Trade through an order issued September 3 by the Board. The order also required that every person in possession of stocks situated outside of the United Kingdom in excess of 100 long tons comply with directions by the Board of Trade for transferring ownership to the Government.

In addition, all dealings in cereals and cereal products outside of the United Kingdom on or after September 5 was prohibited except under license from the Board of Trade. It is understood that all sales of cereals and cereal products for importation into the United Kingdom are effectuated through the Cereals Advisory Control Board, while distribution of such imports is through the Port Area Grain Committees.

*Bacon and Hams* - Maximum prices at which importers were permitted to sell imported bacon and hams to wholesalers were established by the British Government on September 1, to remain in effect until further notice. Since that date, at least three changes in the price schedule have been made, including those announced by the Ministry of Food on October 23, as follows, in shillings per hundredweight, with the dollar equivalent per 100 pounds: Wiltshire sides, all descriptions, 110s. ($19.74); United States clear bellies, 94s. ($16.87); United States picnics, 74s. ($13.28); United States short-cut hams, 120s. ($21.54); and United States long-cut hams, 125s. ($22.43).

All quota restrictions on imports of bacon and hams were suspended by an order of the Board of Trade issued September 5. The removal of the quantitative restrictions on imports that had been in effect since November 11, 1932, however, does not mean unlimited entry, since the volume of trade will be determined largely by the wishes of the British Government, which in turn will be influenced by the exchange situation, shipping facilities, and British price levels.

Imported bacon and hams, including the canned form, arriving in the United Kingdom on or after September 17 must be placed at the disposal of the Ministry of Food. British-owned supplies of ham and bacon situated outside Great Britain (other than supplies in Northern Ireland or Ireland) are subject to such directions as the Ministry of Food shall issue in order to secure ownership of such supplies or the right to dispose thereof. Registered curers of bacon in Great Britain are required to sell their home-produced bacon, with the exception of hams, chaps, and hocks, through a Government agency - the recently established Bacon Importers National Defense Association, Ltd., effective October 8, according to an order issued by the Ministry of Food.

*Meat.* Wholesale and retail prices of meat - beef, mutton, lamb, pork, and veal, whether fresh, chilled, frozen, or canned - were established by the British Government on September 4 at levels not to exceed the average price for similar descriptions and qualities obtaining during the 7-day period ended 10 days before September 4. This price basis was superseded on September 9 by an order setting forth a schedule of maximum prices stated in pence per pound for the various descriptions and grades of fresh and imported meat.

Domestic stocks of imported canned meat in excess of 5 tons, gross, and all shipments arriving in the United Kingdom on or after September 5 are required to be placed at the disposal of the Government. All shipments of imported chilled or frozen meat arriving in the United Kingdom on or after September 11 are required to be placed at the disposal of the Ministry of Food by an order dated September 9. Also, no British dealings in meat situated outside the United Kingdom, in quantities exceeding 5 tons are permitted without a license granted by the Ministry of Food. The orders relating to imported canned meat and other imported meat apply only where the products are suitable for human consumption and are in good merchantable condition.

*Butter.* - Maximum prices for butter were prescribed in an order issued by the Ministry of Food under date of September 13. The schedule of butter prices was as follows: For home-produced, Danish, Swedish, and Finnish butter, or any blends thereof, or blends with finest Empire qualities, first-hand to wholesaler, 148s. per hundredweight (26.56 cents per pound); wholesaler to retailer, 154s. per hundredweight (27.64 cents per pound); and retail, 1s.7d. (32 cents) per pound; for all other kinds and blends of butter, first-hand to wholesaler, 129s. (23.15 cents); wholesaler to retailer, 135s. (24.23 cents); and retail 1s.5d. (28 cents).

It is required that retail prices be posted conspicuously during the time when butter is offered for sale. No person is permitted to enter into any fictitious or artificial transaction or demand any unreasonable charge in connection with the sale of butter. Accurate records must be kept by butter retailers to show whether they are complying with the provisions of the order relating to butter, such records to be open to inspection by representatives of the Ministry of Food or the local Food Control Committee.

All butter in cold storage in Great Britain, as well as all butter arriving on or after September 22 was placed at the disposal of the Ministry of Food by an order of that date. Moreover, a license from the Ministry is required for all British dealings in butter situated outside the United Kingdom. Another order dated October 21 extended the application of these provisions to Northern Ireland.

One maximum price for all kinds of butter was eatablished by the Ministry of Food, effective September 25, (superseding the previous price schedule) as follows: First-hand price, 145s. per hundredweight (26.02 cents per pound); wholesale, delivered, 152s. per hundredweight (27.28 cents per pound); and retail, 1s.7d. (32 cents) per pound.

*Lard, imported* - The maximum price at which importers are permitted to sell imported lard was established on September 1. For United States refined lard, the price established was set at 42s.6d. per hundredweight (then equivalent to $7.99 per 100 pounds, but now to about $7.63, owing to lower exchange value of sterling). This price (in sterling) has remained unchanged.

All domestic stocks of imported lard - except lard from Ireland (Eire) - and British-owned stocks situated outside the United Kingdom were placed at the disposal of the Ministry of Food by an order effective September 29. Immediate returns to the Ministry of Food reporting such lard stocks were requested, as well as a license from the Ministry for any further British dealings in lard situated, outside the United Kingdom, exceeding 5 tons, gross weight. In addition to the maximum price of 42s.6d. per hundredweight for imported lard on the sale by an importer to a wholesaler "ex store" or "ex wharf," the September 29 order also specified a maximum price of 46s.8d. per hundredweight ($8.38 per 100 pounds) on sales made by a wholesaler to a retailer, delivered to the buyer's premises, and 6d. (9 cents) per pound on retail sales.

*Other oils and fats* - Four orders were issued on September 4, requiring that the prices at which certain oilseeds, vegetable oils and fats, marine oils, animal oils and fats, margarine, and manufactured cooking fats must not exceed the average prices current during the 7 days preceding the date of the orders for the same variety and quality and in similar quantities. The orders also announced that, on and after September 25, a license issued by the appropriate Government office would be necessary for engaging in the manufacture (or processing) of, or wholesale dealings in, these products, or for deals in the specified oils, fats, and oilseeds situated outside the United Kingdom if more than 50 tons, gross weight, were involved. Returns were also required for domestic stocks of these various products in excess of specified amounts (ranging from 5 to 100 tons, gross weight).

The Ministry of Food assumed complete control of the vegetable and marine-oil refining industries and the oilseed crushing and extracting industry, effective October 7. At the same time, maximum prices (as above mentioned) for these products were abandoned in favor of a more flexible system. The purpose of the new control scheme is to safeguard the supply of raw materials for the margarine and compound cooking-fat factories and to prevent wide price fluctuations in both the raw materials and the processed products. It is planned to extend this control scheme at a later date to animal fats, including drippings, suet, and lard in conjunction with the meat and livestock scheme.

An experiment was made with one-standard or "pool" quality of Government margarine, calculated to result in the most economical working of the factories, to simplify price control, and to facilitate equitable distribution. The Ministry of Food announced in the House of Commons on November 9, however, that the one-standard grade of margarine had been abandoned. It is anticipated that "pool" margarine selling at 6d. (9 cents) per pound will be replaced by brands selling at from 6d. to 8d.

*Eggs* - The maximum prices at which eggs were to be sold by wholesalers to retailers and by the latter to consumers were specified in an order of September 13, by the Ministry of Food. There are four price categories in both the wholesale and the retail price schedules according to origin of the eggs; namely, (1) home-produced fresh eggs; (2) near-European fresh eggs (Scandinavian, Netherland, French, Belgian, and Irish); (3) eggs produced in the Dominions and North and South America; and (4) home-produced (Great Britain and Northern Ireland) eggs that are cold stored, chilled, or gas stored, and all other eggs. (The order does not apply, however, to canned, dried, or desiccated eggs.) These four categories, in turn, are subdivided into two price groups each; that is, for each 12 eggs weighing not less than 22½ ounces and 17½ ounces, respectively. Retail stores must display conspicuously in close proximity to the eggs for sale a schedule of retail egg prices; and demanding of unreasonable charges or fictitious or artificial transactions in connection with the sale of eggs are forbidden. Producers' prices were not fixed by the order of September 13, but it was pointed out that maximum prices for the wholesale and retail trade should result in a slightly higher level for producers' prices than that prevailing just prior to the order.

The previous schedules of maximum egg prices were revised by the Ministry of Food, effective September 25. The new schedules, for example, specify a maximum price for home-produced fresh eggs, weighing not less than 17½ ounces per dozen, of 2s. (40 cents) per dozen, retail, and 2s.6d. (50 cents) for those weighing not less than 22½ ounces. Corresponding retail prices for the third category of eggs (Dominion and North and South American) are 1s.3d. (25 cents) and 1s.6d. (30 cents) per dozen, for which the respective wholesale prices are 10s.6d. ($2.11) and 12s.6d. ($2.51) per 120 eggs. These prices for Dominion and North and South American eggs remained unchanged in the further-revised price schedule effective October 23, but moderate increases for home-produced fresh eggs were prescribed.

*Condensed milk* - Maximum wholesale and retail prices for condensed milk were established by an order of the Ministry of Food on September 18. Covered by the order were full-cream sweetened, full-cream unsweetened, and machine-skimmed condensed milk. These prices were superseded by new schedules of maximum wholesale and retail prices, effective October 3.

Examples of the revised wholesale prices for condensed milk are: full-cream, sweetened, 29s.6d. ($5.93) per case (48 cans, 1-3/4 pints each); full-cream, unsweetened, 23s.6d. ($4.72) per case (96 cans, 3/4 pint each); and skimmed, 16s.9d. ($3.37) per case (48 cans, 1-7/8 pints each). For these wholesale prices, the corresponding maximum retail prices per can are 8½d. (14.2 cents); 3½d. (5.9 cents);

and 3-3/4d. (6.3 cents), respectively. Incidentally, the former import quotas on processed milk (condensed milk and milk powder) were suspended by the Board of Trade on September 1. The maximum wholesale price schedule of October 3 was revised moderately upward, with the exception of the price of condensed full-cream, unsweetened milk, according to a cablegram received in the Office of Foreign Agricultural Relations, November 10.

*Dried fruits* - Maximum prices were prescribed for the sale of dried fruits (apples, apricots, pears, peaches, prunes, raisins, and seven other kinds) by an order dated September 7. Instead of published prices, however, the order specified that the prices must not exceed those current during the 7-day period terminated 10 days before the date of the order, for dried fruits of a similar description, variety, and quantity. All domestic stocks or British-owned stocks situated outside the United Kingdom, or arriving on or after September 7, were required to be placed at the disposal of the Government.

Specified maximum prices, both wholesale and retail, were established for dried fruits by an order of the Ministry of Food, effective September 21. The maximum wholesale price of dried apples, pears, and fruit salad is set at 70s. per hundredweight ($12.56 per 100 pounds) and of prunes and raisins (including sultanas other than "manufacturers' sultanas") at 56s. per hundredweight ($10.05 per 100 pounds). Maximum retail prices for these dried fruits in the two price groups are 10d. (17 cents) and 8d. (13 cents) per pound, respectively. The Ministry of Food announced at the time the new price order was issued that requisitioned dried-fruit stocks would be allotted equitably to dealers and that all grades of each kind of dried fruit must be pooled and sold as a single blended grade. Another order, effective October 27, increased prices of prunes to 59s.5d. per hundredweight ($10.66 per 100 pounds), and of dried peaches and nectarines to 70s. ($12.56) from 63s. ($11.31) previously established.

*Sugar* - Maximum wholesale and retail prices for sugar were established by an order of September 5. For wholesale dealing in granulated sugar (ex refinery) in bags containing 2 hundredweight, the maximum price was set at 22s.7½d. per hundredweight ($4.06 per 100 pounds) with the then-existing refiners' differentials for special qualities or special packages. The maximum retail prices for five varieties of sugar ranged from 3d. to 4d. (5.0 to 6.7 cents) per pound. It was announced that there was no shortage of sugar, and the public was advised to purchase only the normally required amounts, thus insuring that all needs would be met and pointing out that the delays experienced in certain areas in the distribution of refined sugar were due entirely to general buying of quantities far in excess of the normal consumption.

Sugar stocks in the United Kingdom or afloat became subject to the disposal of the Ministry of Food, effective September 11; on or after this date all British dealings in sugar situated outside the United Kingdom require a license from the Ministry of Food. On September 11, also, another order became effective specifying in more detail, according to variety and packing, the maximum wholesale prices for sugar and making a very small increase in the retail price for granulated sugar. In consequence of the increased excise tax on sugar, a new schedule of maximum wholesale and retail sugar prices became effective September 27. The maximum retail price for granulated sugar is 4½d. (7.5 cents) per pound and for cubes, 5d. (8.4 cents). The maximum wholesale price for granulated sugar in bags of 2 hundredweight is 36s.10d. per hundredweight ($6.61 per 100 pounds) and up to 1s. (20.1 cents) higher per hundredweight in packings ranging to 1-pound packets.

*Tea* - Maximum wholesale and retail prices of tea were established by an order dated September 5. The maximum prices prescribed were the average prices for tea of similar descriptions, varieties, and quantities, current during the 7-day period terminated 10 days before the date of the order. Stocks of tea in the United Kingdom or to arrive were required to be placed at the disposal of the Government through another order dated September 7.

*Canned salmon* - Maximum prices (wholesale and retail) were prescribed for the various kinds of canned salmon grouped into three price categories in an order issued by the Government under date of September 5. These categories were further subdivided according to size of can and number of cans (48 or 96) per case.

*Potatoes* - Maximum prices for potatoes were established by an order dated September 9, specifying those to potato growers, to wholesalers, and to retailers, according to region. Retail prices were fixed in terms of 1-, 7-, and 14-pound quantities. A revised price schedule was issued on September 15, providing for more detailed prices applying to retail sales than were in the previous schedule; namely, subdivisions into grades A and B, and the addition of a price for hundredweight quantities. For the London region, maximum prices for retail sales of potatoes, grade A, are: 1-1/4d. (2 cents) per pound, 8d. (13.4 cents) for 7 pounds, 1s.3d. (25.1 cents) for 14 pounds, and 8s.9d. ($1.76) per hundredweight of 112 pounds. Retail prices for grade B potatoes are moderately lower.

*Livestock* - The Government announced early in September that the general meat-supply situation was satisfactory and that in due course it would take over complete control, with all purchases of livestock for slaughter to be made on Government account. In the meantime, farmers were asked to maintain the orderly marketing of their livestock in normal quantities through the regular channels. The Government also announced that it might eventually become necessary to restrict the sale of pigs for fresh pork, in view of the need to increase home production of bacon.

Maximum prices for the sale of pigs for slaughter were established by an order dated September 3, on the basis of a "standard price" of 13s. ($2.61) per score (20 pounds), dead weight, for pigs under 10 score. This order had the effect of making all contracts under the Bacon Industry Act inoperative. The "standard price" was increased by 1s. in an order by the Ministry of Food dated September 13, making the new basic price 14s. per score ($14.07 per 100 pounds), and 13s.6d. per score ($13.57 per 100 pounds) for pigs weighing over 200 pounds. A separate maximum pig-price schedule was established for Northern Ireland by an order dated September 27 (amended October 13). According to an official cablegram from London, dated November 9, the "standard price" for pigs weighing less than 200 pounds has been increased to 15s.

per score ($15.07 per 100 pounds), and present pig-marketing methods, regarded as somewhat unsatisfactory, are being reviewed pending complete Government control of all livestock marketed.

Maximum prices for fat stock - steers, heifers or cow heifers, calves, and sheep - sold for slaughter for human consumption were established by an order dated September 5. The maximum prices prescribed were the average of those current for fat stock of similar descriptions, kinds, and quantities during the 7-day period ended 10 days before the date of the order. This price order was superseded by another maximum-price order, effective September 13, which specified prices in shillings per hundredweight or pence per pound for the various descriptions of fat stock. The maximum price for fat sheep, dressed weight, is set at 11½d. (19.2 cents) per pound, an increase over the previous average price applicable. British farmers were urged to produce more livestock, particularly sheep.

*Feedstuffs* - Inasmuch as the British livestock industry is dependent to a large extent on imported feedstuffs, regulation of the prices of feedstuffs was a necessary adjunct to the Government price control of meats and meat products. Consequently, an order dated September 3 prescribed maximum prices, provisionally, for a wide range of feedstuffs not to exceed the average current during the 7-day period preceding the date of the order.

Provisional control by the Ministry of Food of specified British-owned feedstuffs held outside the United Kingdom was prescribed by an order of September 18, and all future British dealings in such feedstuffs (outside the United Kingdom) were prohibited except under license by the Ministry of Food. Among feedstuffs covered by this order were cottonseed cake and meal, linseed cake and meal, soybean cake and meal, peanut cake and meal, rice bran and meal, and cargo-broken rice. It is understood, however, that it is not intended at present to issue individual licenses but that purchases will be made by the Director of Feeding Stuffs Supply, whose office is in Liverpool. Feedstuffs imported in this manner will be released to the trade by the Port Area Feeding Stuffs Committees through the customary channels.

A rather elaborate series of specified maximum prices for feedstuffs, comprising feed grains and feed-grain products, hay, oilseed cakes and meals, dried sugar-beet pulp, and sundry other feedstuffs was contained in an order by the Ministry of Food dated September 29, superseding the previous maximum-price order. The unit prices specified in the order are per ton in sterling for lots of 2 tons or over with a scale of maximum additions for smaller lots, together with specified differentials applying to other conditions. Although there has naturally been some rise in the cost of obtaining feedstuffs, owing to war conditions, it is said that the prices fixed by the September 29 order are approximately those obtaining immediately prior to the war.

## COMMODITY INSURANCE SCHEME

In the exercise of its powers under Section 7 of the War Risks Insurance Act, 1939, the Board of Trade on September 3, put into operation a scheme insuring persons carrying on business in the United Kingdom as sellers of goods against damage or loss incident to military activities. Such insurance is compulsory, unless the value of the person's insurable goods does not exceed £1,000, in which case it is voluntary.

Among the commodities specifically listed as insurable are agricultural products sold by the producer. Such persons, accordingly, are required to insure the products that they sell, such as eggs, milk, butter, cereals, fruit, if the value of the goods at any time exceeds £1,000. Insurance of livestock (dairy herds, poultry, etc.) and feedstuffs for use on the farm is optional.

## FOOD RATIONING

Arrangements have been completed for the introduction of butter and bacon rationing in mid-December.[6] Ration books will be distributed to individuals on the basis of the National Register compiled from the household enumeration held on September 29. The weekly ration per person will be 4 ounces of butter and 4 ounces of bacon (including ham). Consumers are also requested to register with dealers for sugar as a guide to regional requirements. Sugar rationing, however, will not be introduced unless consumers use more than the normal requirements of 1 pound per week.

With regard to setting the butter ration at 4 ounces per person weekly, the Ministry of Food pointed out in mid-November that margarine and edible fats are not to be rationed in Great Britain, whereas in Germany they are included with butter for rationing purposes. Adequate supplies of raw materials for margarine are assured, it was stated, and the trade can provide increased quantities of the product at a price within the means of the poorest people.

It was anticipated that food rationing would be introduced early in November and that fresh meat, margarine, cooking fats, and sugar, in addition to butter and bacon, would be rationed. It is apparent, however, that domestic supplies of the items mentioned, other than butter and bacon, must be regarded as adequate; otherwise they would have been included with bacon and butter as items to be rationed beginning the middle of December. It may be noted therefrom that the British rationing scheme allows for normal consumption of foodstuffs, except butter and bacon. The extent of curtailment after mid-December for butter and bacon, and possibly later of certain other foodstuffs, will depend on a number of factors. Among them are the quantity of supplies on hand, world prices, foreign-exchange reserves, shipping facilities, and the effectiveness of enemy naval and air operations.

The Government will buy the whole of the staple crops sold off farms from the 1940 harvest, at prices to be fixed in the light of prevailing circumstances, according to an announcement in Parliament by the Minister of Agriculture on October 9. Prices for the principal farm products will be fixed from time to time at fair levels, which take into account the changes in the cost of production and permit reasonable returns. The guaranteed "standard price" for home-grown millable wheat from the 1939 harvest was raised from 45s. to 49s.6d. per quarter of 504 pounds

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[6] Postponed until January 8, 1940 - Food Ministry announcement on November 28.

(from $1.08 to $1.18 per bushel) and for home-grown oats from 24s. to 27s. per quarter of 336 pounds (46 to 52 cents per bushel), as announced by the Government on November 8.

## BRITISH AGRICULTURE UNDER GOVERNMENT CONTROL

Defense Regulations issued on August 25, 1939, under the Emergency Powers (Defense) Act, 1939, placed the entire agricultural industry of the United Kingdom under the control of the British Ministry of Agriculture during the war emergency. The objective was to insure that agricultural land would be used efficiently and exclusively for the production of essential foodstuffs.

Included among the powers conferred upon the Minister is the authority to take possession of land for defense purposes, to see that it is used solely for the production of food, and to issue such directions with respect to the cultivation, management, and use of land as he thinks necessary for the purpose of increasing or maintaining production. He may terminate the tenancy of any holding not being cultivated in accordance with good farming practices and may dispossess an owner-occupier whenever the latter fails to farm his land properly.

### WARTIME FARM PROGRAM

The program calls for placing in cultivation an additional 2 million acres of farm land (1,500,000 acres in England and Wales, and the remainder in Scotland and Northern Ireland) before December 31, 1939. To expedite the realization of that objective, the Government will pay a subsidy of £2 ($8) per acre for all approved grassland plowed up before the end of the current year (recently extended to March 31, 1940).

Farmers are urged to sow as much winter wheat as possible and to make large increases in the acreage devoted to oats, barley, flax, and potatoes next spring. The importance of producing more livestock, particularly sheep, is also emphasized. In thus urging farmers to go on a war basis, the Government hopes to bring about the necessary shifts in agricultural production much more rapidly than during the last war.

The Government has a reserve of farm tractors, fertilizer, and certain seeds, to be used in this program for facilitating increased farm output. About 60,000 tractors were already privately owned at the outbreak of the war, compared with only about 1,000 when the World War began.

### DELEGATION OF AUTHORITY

The powers given to the Minister of Agriculture to regulate and control farming operations may be delegated by the Minister to other agencies acting under his authority. In actual practice, many of the powers will be delegated to the County War Agricultural Executive Committees, which will also play an important role in the "speed the plow" campaign. Subcommittees have been appointed in most counties to deal with various special phases of the accelerated-production campaign, such as the organization of cultivation and cropping; the recruiting of labor; the distribution of feedstuffs, fertilizers, and machinery; the control of insect pests and of plant diseases; and drainage problems.

The War Agricultural Executive Committees, established in each of the agricultural counties of England and Wales, are actively engaged in surveying each farm in their respective counties in order to determine its capacity to increase food production. The possibility for increased production on each farm is being examined in the light of the type of farming practiced, in order to prevent the disturbance of efficient production.

### WARTIME FARM BOARDS

The various British agricultural marketing boards and commissions, which have hitherto been set up for different products in recent years, will be taken under the authority of the Minister of Food. The Milk Marketing Board will continue to function on much the same lines as at present, at least for the next several months, but under the direction of the Minister of Food, who will fix both wholesale and retail prices. The Milk Board has announced that the current milk contract and producer-retailer licenses will remain in force until January 31, 1940, and that the new contracts, which were to become effective for 12 months beginning October 1, 1939, will not be issued. The program to be followed after January 31, 1940, has not yet been announced.

The staffs and machinery of the Pigs and Potato Boards will also be taken over into the Ministry of Food, it is understood, although their activities will undoubtedly be carried on in close cooperation with the Ministry of Agriculture. An increased production and distribution of potatoes is an important phase of the plans for increased wartime farm output in Great Britain.

## CONTROL OF AGRICULTURAL PRODUCTS OTHER THAN FOOD AND FEED

Government control similar to that achieved by the Ministry of Food over foodstuffs and feedstuffs is exercised over various industrial raw materials (including several of agricultural origin) by the Ministry of Supply. Thirteen Commodity Controls have been established under the Ministry of Supply, of which five apply to agricultural raw materials used in industry; namely, flax, hemp, jute, wool, and molasses, industrial alcohol, and solvents. Raw-cotton control has a somewhat different status.

Certain of these Commodity Controls have, presumably for strategic reasons, been located in provincial cities. For instance, the Wool Control has been established in Bradford, the Molasses and Industrial Alcohol Control in Epson, and the

Cotton Control Board in Manchester. An important feature of these Commodity Controls is that close collaboration is maintained with the accredited association of traders engaged in each industry. A number of Statutory Rules and Orders applying to the control of supplies and prices of certain raw materials have been issued since September 1 by the Ministry of Supply, similar to those issued by the Ministry of Food in relation to foodstuffs and feedstuffs.

The Cotton Control Board, appointed jointly by the Board of Trade and the Ministry of Supply in September, differs from the other Commodity Controls so far established in that its functions for the present are largely investigational and advisory. Regulatory functions over imports, and so on, may be conferred on it later.

The Board has set up four committees, relating to raw-cotton supplies, production and Government orders, export trade, and essential commodities, respectively. Moreover, the Cotton Control Board represents all interests of the cotton trade, from raw materials to merchandising, instead of primarily the dealers in raw materials as seems to be the case for most of the other Commodity Controls.

Sir Percy Ashley, the Board's chairman, has been formally designated Cotton Controller by the Ministry of Supply, with general powers to fix maximum prices of cotton yarn and to require reports from the cotton trade and industry as to stocks and production capacity, according to an official London cablegram of November 15. The Cotton Control Board will continue in an advisory capacity to the Controller and the Ministries.

No commodity control proper has been thus far established for unmanufactured tobacco, but in a sense import control over non-Empire leaf tobacco is being exercised through the allocation, or rather nonallocation, of foreign exchange. On September 11, the United Kingdom discontinued the authorization of foreign exchange for the purchase of United States tobacco. At that time about one-third of the British requirements from the 1939 American flue-cured tobacco crop had already been purchased, leaving about 175 million pounds (farm weight), with a value of possibly $50,000,000, unpurchased. As a consequence, the tobacco markets throughout the flue-cured belt of the United States were closed from September 14 to October 9.

During this interval an arrangement was worked out whereunder the United States Commodity Credit Corporation was to make loans to facilitate the packing. grading and storage of flue-cured tobacco sufficient in amount for the remainder of the British buyers' normal requirements of the 1939 crop. The British buyers obtain an option, through the required payment, to purchase this stored leaf tobacco at any time prior to July 1, 1941.

## SUPPLY AND CONSUMPTION OF FOODSTUFFS AND FEEDSTUFFS

Vast quantities of foodstuffs, only about 35 percent of the total being home-produced, are required to feed the United Kingdom's population of some 47 million.

Table 1. Estimated British consumption and supply of important foodstuffs, average 1934-1936

(Quantities in 1,000 long tons, except where stated)

| COMMODITY | TOTAL CONSUMPTION[a] | NET IMPORTS | HOME PRODUCTION | |
|---|---|---|---|---|
| | | | QUANTITY | PERCENTAGE OF TOTAL CONSUMPTION |
| | | | | *Percent* |
| Wheat flour | 4,134 | 3,604 | 500 | 12.1 |
| Other cereals and cereal products[b] | 284 | 209 | 75 | 26.4 |
| Beef and veal | 1,233 | 579 | 654 | 53.0 |
| Mutton and lamb | 589 | 336 | 253 | 43.0 |
| Pork, other than cured | 270 | 52 | 218 | 80.7 |
| Bacon and ham | 561 | 398 | 163 | 29.1 |
| *All meat* | *3,086* | *1,557* | *1,529* | *49.5* |
| Fish, all kinds | 974 | 113 | 861 | 88.4 |
| Milk, fresh (million gallons) | 918 | – | 918 | 100.0 |
| Milk, condensed, whole | 107 | 6 | 101 | 94.4 |
| Milk, condensed, skimmed | 125 | 72 | 53 | 42.4 |
| Butter | 532 | 479 | 53 | 10.0 |
| Cheese | 199 | 137 | 62 | 31.2 |
| Lard | 201 | [c] 180 | 21 | 10.4 |
| Margarine (raw materials) | 173 | 173 | 0 | 0 |
| Eggs in shell (millions) | 7,182 | 2,514 | 4,668 | 65.0 |
| Apples, fresh | 644 | 301 | 343 | 53.3 |
| Oranges | 488 | 488 | 0 | 0 |
| Bananas | 283 | 283 | 0 | 0 |
| Other fresh fruit | 527 | 274 | 253 | 48.0 |
| Canned fruit | 197 | 197 | (d) | – |
| Dried fruit | 158 | 158 | 0 | 0 |
| *All fruit* | *2,380* | *1,779* | *601* | *25.3* |
| Potatoes | 4,576 | 181 | 4,395 | 96.0 |
| Dried beans, peas, and lentils | 160 | 145 | 15 | 9.4 |
| Green beans and peas | 208 | 2 | 206 | 99.0 |
| Other green vegetables | 2,089 | 439 | 1,650 | 79.0 |
| Sugar (in terms of refined) | 1,935 | 1,429 | 506 | 26.1 |
| Tea | 195 | 195 | 0 | 0 |
| Cocoa and chocolate powder | 73 | 73 | 0 | 0 |

[a] Including wastage in distribution, in the home, and so on.

[b] Barley meal; oat products; tapioca, sago, etc.; rice; and other cereal products (macaroni, etc.).

[c] Includes imitation lard manufactured in the United Kingdom from imported raw materials; i.e., 60.000 tons in 1934, 90.000 tons in 1935, and 100.000 tons in 1936.

[d] Included in fresh fruits.

*Report of the Food (Defense Plans) Department for the Year Ended December 31, 1937,* London, 1938, pp. 36-37.

In peacetime, the British farmer supplies nearly all liquid milk (for drinking), potatoes, and other fresh vegetables, 60 percent of the eggs, almost 50 percent of the meat, and about 25 percent of the sugar, fruit, and millable wheat required for human consumption. For butter and cheese, domestic production accounts for only 10 and 30 percent, respectively, of total requirements.

In addition, the United Kingdom is dependent to a large extent on imported feedstuffs for livestock. Consequently, fairly accurate data regarding the country's total food requirements - consumption, domestic production, imports, and stocks - are an essential element in the food-control system in wartime. In this regard, the Food (Defense Plans) Department (now merged into the Ministry of Food) published rather detailed information in Appendix III to its first annual report, from which table 1, page 564, was compiled.

In May 1938, the Government announced that it had arranged for the purchase of sufficient supplies of wheat, sugar, and whale oil to insure that stocks in the United Kingdom would be maintained at levels sufficient for the needs of the civil population during the early months of an emergency.

In June, the Minister for the Coordination of Defense stated that commitments of £7,500,000 for stores of the three commodities mentioned had been made, which were subsequently legalized by the Essential Commodities Reserves Act, 1938 (July 29).[7] Further substantial purchases of certain essential commodities for storage were continued in 1939 prior to the outbreak of war. In July, it was pointed out in an official statement that, for nearly all essential raw materials, trade stocks and Government reserves together amounted to at least 3 months' estimated war consumption.[8]

A survey of the size of stocks of some of the more important agricultural and industrial raw-material commodities, which the United Kingdom imports in large quantities, was undertaken by *The Economist* (London) a few weeks before the outbreak of the present war. The results are shown in table 2, with fibers and other industrial raw materials omitted.

The figures for stocks are not claimed to be complete, it is pointed out, inasmuch as they exclude supplies in the hands of consumers and relate, in most cases, to stocks in public warehouses, at ports, or in bond. Consumption of the commodities listed in table 2, except tea and raw sugar, has been calculated on the basis of home production plus imports, without taking into account changes in stocks. For the two excepted commodities, consumption figures are based on available supplies and changes in stocks.

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[7] *The Agricultural Register 1938-39,* published by the Agricultural Economics Research Institute, Oxford, 1939, p. 29.

[8] *The Economist,* London, July 15, 1939.

Table 2. Estimated consumption and stocks in the United Kingdom of selected agricultural products
(In thousands of long tons)

| COMMODITY | AVERAGE 1934-1936 | | 1937 | 1938 |
|---|---|---|---|---|
| | QUANTITY | PERCENTAGE IMPORTED | | |
| CONSUMPTION | | *Percent* | | |
| Wheat | 6,713 | 76 | 6,263 | 6,986 |
| Corn | 3,147 | 100 | 3,465 | 2,754 |
| Barley | 1,610 | 53 | 1,517 | 1,897 |
| Oilseeds | 1,452 | 100 | 1,622 | 1,630 |
| Sugar, raw | 2,246 | 74 | 2,314 | 2,302 |
| Molasses | 623 | 82 | - | - |
| Meat | 3,086 | 50 | - | - |
| Butter | 526 | 90 | 524 | 511 |
| Tea | 195 | 100 | 194 | 193 |

| STOCKS | LOCATION | DATE | 1937 | 1938 | 1939 |
|---|---|---|---|---|---|
| Wheat | Port | July 1 | 287 | 320 | 460 |
| Corn | do. | do. | 117 | 95 | 97 |
| Barley | do. | do. | 41 | 33 | 36 |
| Oilseeds | - | - | - | - | - |
| Sugar, raw | In bond | June 30 | 425 | 348 | 348 |
| Molasses | - | - | - | - | - |
| Meat | Cold storage | July 1 | 25 | 28 | 28 |
| Butter | In bond | May 31 | 67 | 72 | 75 |
| Tea | Warehouses, railway and canal depots | May 31 | 47 | 53 | 77 |

*The Economist*, London, July 22, 1939.

It may be noted that port stocks of wheat have been considerably increased since 1937, in part, no doubt, because of Government purchases for storage. Stocks of sugar in bond are the same as a year ago, but substantially lower than 2 years earlier, although imports show a rising trend. There is no significant change in stocks of meat and butter, while tea stocks have increased considerably over those of May 1937 and appear to be ample. Incidentally, the above stock figures should be considered in conjunction with changes in imports, as shown in table 3.

FOODSTUFF IMPORTS

As the world's leading importer of foodstuffs,[9] the United Kingdom's takings from abroad averaged around £384,000,000 ($1,896,000,000) during the 3-year period

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[9] It has been estimated that during 1927-1930 the United Kingdom, with less than 2½ percent of the world's population, accounted for the following percentages of the world's net imports of certain foodstuffs: Wheat and wheat flour, 27 percent; butter, 64 percent; eggs, 44 percent; cheese, 49 percent; beef, 68 percent; mutton, 93 percent; and bacon, 97 percent. (*World Agriculture: An International Survey*, Oxford University Press, 1932, p. 34.)

1936-1938, or approximately 41.2 percent of total British imports. If feedstuffs and tobacco are included, the average is £414,700,000, or 44.5 percent of total imports. The development of the United Kingdom's imports of principal foodstuffs since 1936 is shown in table 3.

Table 3. Imports into the United Kingdom of selected foodstuffs, 1936-1938 and January-August 1938 and 1939

| COMMODITY | UNIT | YEAR ENDED DECEMBER 31 | | | JANUARY-AUGUST[a] | |
|---|---|---|---|---|---|---|
| | | 1936 | 1937 | 1938[a] | 1938 | 1939 |
| | | *Thousands* | *Thousands* | *Thousands* | *Thousands* | *Thousands* |
| Wheat | Bushels | 186,640 | 177,502 | 187,458 | 123,698 | 151,462 |
| Wheat flour | Barrels | 4,780 | 4,871 | 4,387 | 2,893 | 2,964 |
| Rice, cleaned[b] | Pounds | 230,643 | 244,928 | 291,220 | 186,915 | 249,503 |
| Peas, dried | do. | 218,434 | 159,004 | 217,810 | 113,704 | 159,558 |
| Prunes | do. | 42,290 | 39,036 | 53,558 | 29,426 | 29,126 |
| Raisins | do. | 157,848 | 151,550 | 182,983 | 102,728 | 72,163 |
| Peaches, canned | do. | 89,164 | 79,923 | 93,779 | 49,885 | 77,575 |
| Pears, canned | do. | 88,864 | 91,922 | 94,586 | 57,466 | 64,586 |
| Meats, total | do. | 3,243,721 | 3,428,639 | 3,449,204 | 2,330,989 | 2,406,364 |
| Butter | do. | 1,082,967 | 1,041,991 | 1,056,106 | 741,744 | 725,868 |
| Cheese | do. | 297,014 | 326,457 | 326,033 | 209,981 | 216,745 |
| Lard | do. | 169,797 | 164,367 | 161,594 | 114,244 | 137,519 |
| Eggs in shell | Dozens | 244,622 | 246,407 | 276,974 | 177,856 | 192,894 |
| Salmon, canned | Pounds | 114,151 | 128,072 | 125,706 | 39,990 | 57,825 |
| Sugar, unrefined | Short tons | 2,477 | 2,480 | 2,663 | 1,721 | 1,771 |
| Molasses | Pounds | 864,245 | 1,104,095 | 1,362,374 | 927,040 | 1,348,245 |
| Cocoa | do. | 242,241 | 192,933 | 286,184 | 224,460 | 236,680 |
| Tea | do. | 410,891 | 417,808 | 460,598 | 254,761 | 219,013 |

[a] Preliminary.

[b] Includes "mixtures of whole and broken."

*Annual Statement of the Trade of the United Kingdom*, Vol. I., and *Accounts Relating to the Trade and Navigation of the United Kingdom*, December 1938 and August 1939.

A very large share of these foodstuffs, with the exception of bacon, eggs, and (to a less extent) butter, are imported from overseas areas such as the various British Dominions, the United States, and South America. British Empire countries, however, have accounted for an increasing proportionate share of total foodstuff imports into the United Kingdom since 1932, the year of the Ottawa Agreements. If the United Kingdom's imports of foodstuffs during the period 1927-1929 are taken as a base of 100, foodstuff imports from Empire countries rose from 117 in 1931 to 143 in 1938, whereas those from foreign (non-Empire) countries declined from 113 to 83.[10] The present war is expected to accelerate this trend, in part because of the need to conserve foreign exchange, at least during the next few months.

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[10] *The Planning of Britain's Food Imports*, by K. A. H. Murray and Ruth L. Cohan, Oxford, 1934. Fifth Supplement, March 1939.

Of paramount importance to the United Kingdom's uninterrupted supply of imported foodstuffs is its effective control over merchant-shipping sea lanes. This applies likewise to imports of feedstuffs on which Great Britain's livestock industry is dependent to a large extent.

## FEEDSTUFF IMPORTS

Of all feed and forage (excluding green pasturage) consumed by the British livestock population, just over one-half is home produced and the remainder imported from abroad, largely in raw-material form, and later manufactured or processed into the various feedstuffs. As for imported oilseeds, perhaps a third (by weight) is expressed as oil and the residue used as feedstuffs.[11] A general picture of the United Kingdom's requirements of imported feedstuffs and the share, if any, represented by home production of the same products, is presented in table 4.

Table 4. Net imports into the United Kingdom and estimated consumption of animal feedstuffs, other than those wholly home produced, average 1934-1936[a]

| COMMODITY | TOTAL CONSUMPTION | NET IMPORTED | | HOME PRODUCED | |
|---|---|---|---|---|---|
| | | QUANTITY | PERCENTAGE OF TOTAL SUPPLIES | QUANTITY | PERCENTAGE OF TOTAL SUPPLIES |
| | *1,000 long tons* | *1,000 long tons* | *Percent* | *1,000 long tons* | *Percent* |
| Wheat (for feed) | 1,150 | 257 | 22.3 | 893 | 77.7 |
| Wheat byproducts | 2,290 | 2,090 | 91.3 | 200 | 8.7 |
| Barley and barley meal | 806 | 563 | 69.9 | 243 | 30.1 |
| Oats and oat products | 1,926 | 110 | 5.7 | 1,816 | 94.3 |
| Corn and corn meal | 3,215 | 3,215 | 100.0 | – | – |
| Other cereals and cereal products[b] | 420 | 340 | 81.0 | 80 | 19.0 |
| Oilseed cake and meal[c] | 1,519 | 1,519 | 100.0 | – | – |
| Molasses | 254 | 176 | 69.3 | 78 | 30.7 |
| Other animal feedstuffs | 75 | 75 | 100.0 | – | – |

[a] The principal feedstuffs wholly home produced and not included in this table are hay, turnips, swedes and mangolds, straw, cabbages, vetches, sugar-beet pulp and tops, potatoes, beans and peas, and white fish meal. A considerable quantity of brewers's grains is also used but is produced partly from imported materials.

[b] Including rye, mixed grain, and rice.

[c] This is partly consumed as "straight" cake and meal and partly used, in conjunction with other materials, for manufacturing compound cake and meal.

*Report of the Food (Defense Plans) Department for the Year Ended December 31, 1937,* London, 1938, p. 38.

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[11] *British Agriculture: The Principles of Future Policy,* a report of an inquiry organized by Viscount Astor and B. Seebohm Rowntree, London, 1938, p. 113.

Inasmuch as some of these agricultural products, in addition to others listed below, serve as both foodstuff and feedstuff bases, and even in some cases for industrial purposes as well, a further table is given showing estimated total net imports and supplies of the products, regardless of the use for which they may be destined. Of wheat, for instance, more than two-thirds (by weight) becomes flour for human consumption, a comparatively small quantity (about 70,000 tons of flour) is used for industrial purposes, and the remainder is used as feedstuff (partly in the form of wheat offals).

Table 5. Estimated total supplies in the United Kingdom of products used for more than one purpose, average 1934-1936[a]

| COMMODITY | TOTAL SUPPLIES | IMPORTED | | HOME PRODUCED | |
|---|---|---|---|---|---|
| | | QUANTITY | PERCENTAGE OF TOTAL SUPPLIES | QUANTITY | PERCENTAGE OF TOTAL SUPPLIES |
| | *1,000 long tons* | *1,000 long tons* | *Percent* | *1,000 long tons* | *Percent* |
| Wheat | 6,713 | 5,119 | 76.3 | 1,594 | 23.7 |
| Barley | 1,539 | 853 | 55.4 | 686 | 44.6 |
| Oats | 2,054 | 152 | 7.4 | 1,902 | 92.6 |
| Corn | 3,094 | 3,094 | 100.0 | - | - |
| Peas | 241 | 81 | 33.6 | 160 | 66.4 |
| Beans | 172 | 45 | 26.2 | 127 | 73.8 |
| Molasses | 623 | 513 | 82.3 | 110 | 17.7 |
| Oilseeds | 1,450 | 1,450 | 100.0 | - | - |
| Vegetable oils | 121 | 121 | 100.0 | - | - |
| Whale oil | 128 | 128 | 100.0 | - | - |

[a] Certain of the figures in this table and in tables 1 and 4 are provisional and may be revised as a result of further investigations made by the Ministry of Agriculture and Fisheries. *Report of the Food (Defense Plans) Department for the Year Ended December 21, 1937*, London, 1938, p. 39

As in the case of imported foodstuffs, the great bulk of the United Kingdom's imports of feedstuffs and dual-purpose agricultural products originates in overseas areas, which circumstance emphasizes the importance of maintaining ocean-shipping facilities in wartime. It was pointed out in a publication prepared a few months ago by the Royal Institute of International Affairs that every day some 50,000 tons of foodstuffs and over 100,000 tons of merchandise were imported into England and, consequently, "any effective restriction of these imports would in the course of a few months lead to economic strangulation and to the starvation of the populace."[12]

## BLOCKADE AND COUNTER-BLOCKADE

In view of the vital British dependence on imports of foodstuffs (and feedstuffs), Germany is attempting by submarine, mine, and aerial operations to interrupt the constant flow of sea-borne supplies to the United Kingdom, just as the Allied forces are blockading Germany in an effort to bring about that country's eventual collapse. It may be recalled that such a collapse happened at the end of the World War and also that German submarine warfare in 1917 brought England dangerously near starvation before the menace was overcome.

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[12] *Political and Strategic Interests of the United Kingdom*, Oxford University Press, 1939, p. 243.

Thus far, with the exception of the interrupted shipments of Danish bacon during the first 2 weeks of October, German destruction of cargo and ships destined to the United Kingdom seems to have had no serious effect on Great Britain's food supply. Naval convoy of merchant ships is being used on a fairly large scale by Great Britain. Incidentally, foodstuffs and feedstuffs are listed as conditional contraband by France, Germany, and the United Kingdom.

German destruction of British merchant shipping during the first 9 weeks of the present war totaled around 240,000 gross tons, or less than 1½ percent of Great Britain's entire merchant fleet of some 18,500,000 gross tons, according to an announcement by the British Admiralty on November 6. It was also disclosed that, during a 4-day period of the preceding week, 28 freighters in 4 convoys docked safely at British ports and unloaded almost 100,000 tons of foodstuffs for distribution throughout the United Kingdom.

On the other hand, the British Contraband Control during the first 9 weeks of the war, operating under the Ministry of Economic Warfare, seized 420,500 tons of cargo, including foodstuffs and raw materials for armaments consigned directly or indirectly to Germany. Including those by the French Contraband Control, Allied seizures of cargo destined to Germany during the same period totaled at least 625,000 tons, as against approximately 375,000 gross tons of Allied and neutral merchant shipping destroyed by Germany.[13] It may be pointed out that during the first 2 months of the unrestricted German submarine campaign launched on February 1, 1917, approximately 980,000 gross tons of merchant shipping were sunk. But Germany's large-scale use of bombing planes to attack merchant shipping, convoyed or otherwise, or the application of other methods more effective than those hitherto employed might greatly alter the present picture.

## BRITISH FOOD PRODUCTION IN WARTIME

Steps corresponding to the placing of Agriculture in the United Kingdom under the control of the Ministry of Agriculture (on August 25, 1939) and the subsequent establishment of County War Agricultural Executive Committees to increase farm output were not taken during the World War until 1917, when unrestricted submarine warfare by Germany threatened Great Britain's food supply. The Food Production Department was established early in 1917 as a special department of the then Board (now Ministry) of Agriculture and Fisheries, which initiated the Food Production Campaign through the plowing up of grassland. The activities and experience of the Food Production Department are discussed in detail in a book written by its first director, later deputy director-general.[14] About a thousand people were employed in the work of the Department by the end of the war.

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[13] In the first 3 months of the present war, it is estimated that 571.700 gross tons of Allied and neutral merchant shipping were destroyed; but comparable figures for Allied seizures of cargo destined to Germany during the same period were not available when this article was completed. (*New York Times*, December 3, 1939.) In the first 3 months of the 1917 German submarine campaign, destruction of Allied and neutral merchant shipping exceeded 1.800.000 gross tons. Effective after December 4, exports of German origin or German ownership, even if carried on neutral ships, are liable to Allied seizure, in retaliation for Germany's indiscriminate use of mines, which occasioned the sinking of 118,600 tons of Allied and neutral merchant shipping during the 2-week period November 18-December 1. (*New York Herald Tribune*, December 3, 1939.)

In Great Britain, the area of grassland between 1916 and 1918 was reduced by about 2,220,000 acres, which were devoted to arable crops, chiefly grain (wheat, barley, and oats) and potatoes, according to *Agricultural Returns*. (In Ireland, then a part of the United Kingdom, the corresponding reduction in grassland totaled about 1,160,000 acres.) By way of comparison, it is now planned to devote 2,000,000 additional acres (chiefly grassland) to arable crops in Great Britain and 250,000 acres in Northern Ireland before March 31, 1940, that is, during the first few months of the present war, in contrast with the above figures for the 2 concluding crop years of the World War period.

There have been several statements in Parliament and discussions elsewhere this year, prior to the outbreak of war, comparing the status of British agriculture now with that of 1914.[15] At the outset, it is useful to compare, statistically, British agriculture in 1914 and 1918 with that in 1938 with respect to crop acreage and crop and livestock production - but in the light of certain changed conditions.

## ACREAGE AND CROP PRODUCTION

Compared with 1914, Great Britain's total arable acreage (devoted to crops and temporary grasses) in 1938 showed a decline by approximately 2.4 million acres, or 17 percent, as shown in table 6. This decline is much less severe for arable land and permanent grass combined, however: that is, from 31.9 million acres in 1914 to 29.3 million in 1938, or 8.2 percent. (The total area of Great Britain is 56,801,900 acres.)

For permanent-grass acreage alone, it may be noted that the decline from 1914 is relatively unimportant. Consequently, the increased output of grain and potatoes now planned will be achieved largely by plowing up permanent grassland, as occurred between 1914 and 1918, when the permanent-grass acreage declined by 1.7 million acres.

With regard to acreages of the principal crops, heavy declines for 1938 from 1914 may be noted in the grains except wheat and in the root crops except sugar beets. On the other hand, table 6 does not show the heavy increase that has taken place in the acreage devoted to the principal vegetables (excluding potatoes) since the World War. Comparative figures for the World War period are not available, but it is estimated that the 1938 acreage of the principal vegetables in Great Britain (238,600 acres) is about double that of 1922. This has greatly lessened Great Britain's former substantial dependence on imported fresh vegetables, a development facilitated by the imposition of import duties toward the end of 1931. Crop-production data similar to the acreage data of table 6 are shown in table 7.

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[14] *Food Production in War*, by Sir Thomas H. Middleton, Oxford, 1923. 373 pp.

[15] See "Food Production in War," *The Economist*, London, June 10, 1939; and "Food Production in War Time," *The Statist*, London, August 26 1939.

Table 6. Acreage of principal crops in Great Britain and total acreage in crops and grass, 1914, 1918, and 1938

| CROP | ACREAGE | | | | CHANGE IN 1938 COMPARED WITH - | |
|---|---|---|---|---|---|---|
| | 1914 | 1918 | 1937 | 1938 | 1914 | 1918 |
| | *1,000 acres* | *1,000 acres* | *1,000 acres* | *1,000 acres* | *Percent* | *Percent* |
| Wheat | 1,868 | 2,636 | 1,832 | 1,923 | +2.9 | -27.0 |
| Barley | 1,699 | 1,654 | 904 | 984 | -42.1 | -40.5 |
| Oats | 2,849 | 4,024 | 2,042 | 2,098 | -26.4 | -47.9 |
| Beans and peas[a] | 420 | 377 | 219 | 273 | -35.0 | -27.6 |
| Potatoes | 614 | 803 | 591 | 610 | -0.1 | -24.0 |
| Turnips and swedes | 1,476 | 1,307 | 772 | 746 | -49.5 | -42.9 |
| Mangolds | 434 | 404 | 211 | 218 | -49.8 | -46.0 |
| Sugar beets | 4 | – | 314 | 336 | – | – |
| Clover and rotation grasses | 3,876 | 3,450 | 3,669 | 3,361 | -13.0 | -2.6 |
| Total arable acreage[b] | 14,294 | 15,852 | 12,016 | 11,861 | -17.0 | -25.2 |
| Total permanent grass | 17,606 | 15,896 | 17,336 | 17,410 | -1.1 | +9.5 |
| Total acreage under crops and grass | 31,900 | 31,749 | 29,351 | 29,270 | -8.2 | -7.8 |

[a] Includes, in England and Wales, the acreage in beans and peas gathered for market or canning as well as for stock feeding and seed; figures for Scotland relate only to beans harvested for "corn" (that is, dry beans)

[b] Includes clover and rotation grasses, classed as "temporary grasses."

*Agricultural Statistics*, issued annually by the Ministry of Agriculture and Fisheries.

Production of most of the principal crops except wheat, potatoes, and sugar beets declined in 1938 compared with 1914. (Production figures for certain crops show greater fluctuations in 1937 and 1938 than those for acreages: grain yields were lower and hay yields higher in 1937 than in 1938.) Increased wheat production is due chiefly to the Wheat Subsidy Scheme under the Wheat Act of 1932, providing for a standard fixed price to wheat growers; and the enormous increase in sugar-beet production is likewise due to governmental assistance under the Sugar Subsidy Act of 1924. The Potato Marketing Scheme set up in 1934 has benefited growers through preventing wide fluctuations in prices and production. Barley and oat subsidy payments were liberalized beginning with the 1939 crop.

During the World War, food production was augmented by the cultivation in small towns and suburban areas of garden plots or "allotments." Up to about 1920 there were about 1,330,000 allotments, although their popularity subsequently declined and at present they probably number less than 900,000. A drive has now begun to increase the number of allotments in England and Wales by at least 500,000. The Minister of Food stated in a radio broadcast, urging participation in the garden-plot campaign, that "half a million more allotments properly worked will provide potatoes and vegetables that will feed another million adults and a million and a half children for 8 months out of 12."

Table 7. Production of the principal crops in Great Britain, 1914, 1918, and 1938

| CROP | PRODUCTION | | | | CHANGE IN 1938 COMPARED WITH - | |
|---|---|---|---|---|---|---|
| | 1914 | 1918 | 1937 | 1938 | 1914 | 1918 |
| | *1,000 tons* | *1,000 tons* | *1,000 tons* | *1,000 tons* | *Percent* | *Percent* |
| Wheat | 1,706 | 2,428 | 1,505 | 1,959 | +14.8 | -19.3 |
| Barley | 1,367 | 1,299 | 655 | 901 | -34.1 | -30.6 |
| Oats | 2,033 | 2,965 | 1,604 | 1,702 | -16.3 | -42.6 |
| Beans and peas[a] | 333 | 302 | 107 | 136 | -59.2 | -55.0 |
| Potatoes | 4,031 | 5,360 | 4,048 | 4,404 | +9.3 | -17.8 |
| Sugar beets | (b) | (b) | 2,583 | 2,191 | - | - |
| Turnips and swedes | 19,762 | 17,532 | 10,161 | 10,605 | -46.3 | -39.5 |
| Mangolds | 7,961 | 8,280 | 3,749 | 3,689 | -53.7 | -55.4 |
| Hay from clover, sainfoin, etc. | 2,746 | 2,692 | 2,846 | 1,913 | -30.3 | -28.9 |
| Hay from permanent grass | 5,389 | 4,912 | 5,252 | 3,389 | -37.1 | -31.0 |

[a] England and Wales only. Excludes beans and peas that were picked green (or cut green).

[b] Only 4,000 acres in 1914 and none in 1918.

*Agricultural Statistics.*

In contrast with the somewhat unfavorable comparison of current total arable crop production with that of 1914, livestock production shows a marked expansion. The heavy production increases shown by table 7 for grain and potatoes between 1914 and 1918 will likely be repeated or even surpassed if the present war lasts more than a year or so.

## LIVESTOCK PRODUCTION

The shift from crops in Great Britain since the World War has been accompanied by a considerable expansion in livestock population (except horses). This is an important factor in Great Britain's food supply in wartime, inasmuch as such livestock may be regarded as "storage on the hoof."

On the other hand, Great Britain has become more dependent on imported feedstuffs during the past two decades than formerly. It is estimated that the volume of the principal feedstuffs imported has increased from 6.5 million tons in 1911-1913 to 8.1 million in 1937.[16] The heavy decline in home production of feed grains and certain root crops has, to some extent, been offset by the enormous increase in sugar-beet production of which the tops and pulp are used for stock feeding. Moreover, the heavy decline in the number of horses on agricultural holdings since 1914, as shown in table 8, has correspondingly reduced cereal feedstuff requirements by an estimated amount equivalent to the output of more than 750,000 acres.

Table 8. Livestock numbers in Great Britain, 1914, 1918, and 1938

| KIND | NUMBER | | | CHANGE IN 1938 COMPARED WITH - | |
|---|---|---|---|---|---|
| | 1914 | 1918 | 1938 | 1914 | 1918 |
| | *Thousands* | *Thousands* | *Thousands* | *Percent* | *Percent* |
| Cattle - | | | | | |
| Dairy cows[a] | 2,938 | 3,030 | 3,576 | +21.7 | +18.0 |
| Calves | 1,514 | 1,528 | 1,649 | +8.9 | +7.9 |
| Others | 2,641 | 2,852 | 2,805 | +6.2 | -1.6 |
| Total | 7,093 | 7,410 | 8,030 | +13.2 | +8.4 |
| Sheep - | | | | | |
| Breeding ewes | 9,813 | 9,501 | 11,917 | +21.4 | +25.4 |
| Sheep under 1 year | 10,154 | 9,624 | 11,355 | +11.8 | +18.0 |
| Others | 4,319 | 4,228 | 2,610 | -39.6 | -38.3 |
| Total | 24,286 | 23,353 | 25,882 | +6.6 | +10.8 |
| Hogs - | | | | | |
| Breeding sows | 360 | 306 | 463 | +28.6 | +51.3 |
| Others | 2,274 | 1,519 | 3,358 | +47.7 | +121.1 |
| Total | 2,634 | 1,825 | 3,821 | +47.1 | +109.4 |
| Horses[b] | 1,296 | 1,337 | 853 | -34.2 | -36.2 |

[a] Includes cows in milk and cows and heifers in calf.

[b] Horses on agricultural holdings; "other horses" numbered 147,559 in 1938, and 312,719 in 1914.

*Agricultural Statistics*.

Cattle population, it may be noted, has increased chiefly through the increase in dairy herds. Notwithstanding the shift in sheep farming on arable land to permanent grassland during the past few years, sheep numbers are now substantially higher than in 1914, and still higher compared with 1918. The heavy increase in hog numbers has taken place largely since 1931, in line with the trend away from arable crops toward livestock and assisted by various hog- and bacon-marketing schemes since 1933.

A most remarkable expansion occurred in Great Britain's poultry and egg production during the period 1924-1934. Poultry numbers (excluding ducks, geese, and turkeys) on agricultural holdings of 1 acre or more rose from 36.1 million in 1924, to 69.4 million in 1934, and egg production from 1,973 million to 4,399 million eggs during the same period.[17] In line with the increase in the dairy herds, fluid-milk production increased from 1,097 million gallons for the year ended May 31, 1914, to 1,465 million gallons for the comparable period ended May 31, 1938.

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[16] *British Agriculture*, p. 53.

### LABOR AND FARMING EFFICIENCY

The number of agricultural workers (excluding the employer or occupier, his wife, and domestic servants) employed in Great Britain has declined from 993,081 in 1921 to 697,463 in 1938. The figure did not drop below 800,000, however, until 1934. Since the World War and more particularly since the world economic depression, British farmers have adopted production methods that would permit them to economize in labor costs; hence, the substantial shift from arable crops to livestock because the wage expenditure involved in the latter is generally considerably less in relation to the value of output than for arable crops.

Farming efficiency and farming practices have made considerable progress since the World War in several branches of British agriculture, in part through research and education and in part through technical improvement of equipment.[18] This applies particularly to dairying, sheep farming, the poultry industry, and the hog industry. The introduction of combines and tractors in cereal production, and particularly the improvement in tractor performance now compared with that of the World War period, may be pointed out. Moreover, the very large increase in the number of tractors used on farms is a factor of great importance. On the other hand, a serious feature is the disappearance from many rural districts of the implements for, and the traditions of, arable-crop cultivation,[19] owing to the shift toward pasture farming in recent years and the consequent absorption of a substantial number of farm workers into other employment.

## GENERAL SUMMARY AND CONCLUSIONS

While only a tentative appraisal is possible at this juncture of the rather elaborate British system of food control - of foreign supply, domestic production, stocks, prices, and distribution - which the United Kingdom has established since the outbreak of war on September 3, 1939, it appears on the whole, from the British standpoint at least, to be working satisfactorily and fulfilling the purposes for which it was designed.

In the first place, the British Government had the experience of food control in the World War to draw on and could at the outset avoid the mistakes or defects of the World War control system disclosed in the course of its operation. Secondly, the Food (Defense Plans) Department (now the Ministry of Food) had been planning for more than 2 years, in collaboration with the various branches of the food trades,[20] a system of food control in wartime that would afford adequate supplies, prevent price profiteering, and insure equitable distribution.

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[17] *British Agriculture*, p. 51

[18] *English Farming, Past and Present*, by Lord Ernle, London, (5th ed.), 1936, pp. 437-472.

[19] *The Economist*, London, June 10, 1939.

Price control applied to certain essential foodstuffs early in September has prevented profiteering and skyrocketing of prices, which otherwise might have occurred. These products comprise wheat flour, cured bacon and hams, other meat, butter, imported lard, other fats and oils (including margarine), eggs, condensed milk, dried fruits, sugar, tea, canned salmon, and potatoes. The price index for all foods (including those not under price control) advanced by 9 percent in September and 2½ percent in October. Part of the price increase for sugar was due to the increase in the excise tax.

Government control over domestic stocks was assumed for most of the foodstuffs under price control. This was particularly necessary in the case of sugar. Incidentally, abnormal quantities of refined sugar were purchased by some individual consumers in the United States, in the fear of price increases or possibly shortages, shortly after the outbreak of the present war.

It was first thought that food rationing would be introduced in October, and it was officially announced for mid-December. It has now been postponed until January 8, 1940. Even then it is to apply only to butter and bacon (including ham). This is in contrast with rationing in Germany, introduced for several major foodstuffs a few days before the outbreak of war and on September 23 further extended. The British action thus far with regard to rationing would indicate that the food-supply position in general is normal. It has been emphasized that rationing is intended primarily to insure equitable distribution to all consumers in all areas rather than to curtail consumption.[21]

Close contact with the Ministry of Food is maintained by the National Federation of Grocers' and Provision Dealers' Association, the central organization of the various English food trades associations. This has facilitated the development of the rather complex system of food control that the Ministry of Food aims to exercise with the minimum of interference or friction with regular trade practices and at the same time the necessary compliance with the control program.

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[20] "The present relation of the State to the food trades is very different to what it was prior to the last war. Control in 1917-18 was a matter of persuasion, experiment and improvisation; today it has become an affair - almost a normal sideline - of the food trades themselves. * * * Not only have the food concerns been consulted at every stage and already employed as Government agents, but steps have been taken to encourage the development of organization in trades where little had existed. In brief, any suspicion the food trades might previously have shown to this form of State interference has long since been dissipated." *Our Food Problem: A Study of National Security,* by F. L. G. Clark and R. M. Titmus, London, March 1939, pp. 72-73.

[21] Adequacy of the British diet in general is not discussed in this analysis, although it has some bearing, of course, on the subject of food control. In this connection, the reader is referred to *Food, Health and Income*, by Sir John B. Orr, London, 1936; *Nutrition and the Public Health* (Proceedings of a National Conference on the Wider Aspects of Nutrition), British Medical Association, London, 1939; and *Nutrition* (final report of the Mixed Committee of the League of Nations), Geneva, 1937. All available data indicate, however, that the British diet is, and has been for some years, substantially higher in quality than the average German diet.

The control features relating to certain commodities have been modified to meet changing conditions, as evidenced by successive orders pertaining to given food products. There has been some trade criticism of the manner in which the tea control has developed, and this applies to a lesser extent to the margarine control, and, for a time, to the sugar control (distribution).

All orders relating to food control (prices, stocks, etc.), as well as the activities of the National Federation mentioned and of the Scottish Federation of Grocers' and Provision Merchants' Associations, are published in the weekly periodical *The Grocer* (London). Incidentally, it is the function of the local Food Control Committees to see that lists of maximum prices are properly displayed in the retail food stores and that the food-control regulations are otherwise properly observed.

The monopoly (or at least strict control) exercised by the Ministry of Food over all imports of foodstuffs into the United Kingdom is for the purpose of conserving foreign exchange, securing the most economical use of shipping tonnage available, checking speculation and competitive buying on the part of private traders, and keeping prices for civilian consumption as low as possible by pooling the cost of commodities obtained at varying prices from different sources of supply, as was true for the World War period.[22]

Thus far little has been published regarding the Ministry of Food's activities in obtaining food supplies from non-Empire sources. It appears likely that, in general, the United Kingdom's purchases from foreign countries during the next few months will be confined largely to war materials and equipment and industrial raw materials, rather than foodstuffs, although purchases of the latter will continue, of course, where Empire supply sources are inadequate.

Domestic food output in the United Kingdom will probably be considerably expanded under the wartime farm program, primarily through the utilization of permanent grassland for arable-crop cultivation. This was the method used to step up the domestic food output during the last 2 years of the World War, and the rate of increase in Great Britain will now probably be at a more rapid rate than then. Nearby Ireland, then an integral part of the United Kingdom, is also planning an increase in food output next year calculated to augment substantially British food supplies. In addition, large food supplies are available in the British Dominions and other overseas countries.

British agriculture seems to be faring well thus far under Government control, particularly in the matter of increased fixed prices for certain farm products. The "standard price" for live hogs has been increased twice since September 3, that is, from the equivalent of $14.07 per 100 pounds to $15.08 per 100 pounds since November 9. The price of fat sheep and the guaranteed "standard price" for home-grown millable wheat and home-grown oats have also been increased since the establishment of Government control over agriculture in the United Kingdom.

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[22] Chapter **XXIV**, "The State as Importer," in *Experiments in State Control* at the War Office and the Ministry of Food, by E. M. H. Lloyd. Oxford, 1924.

British agriculture will not be permitted to profiteer during the present war, as soaring prices during the World War would possibly indicate that it did then, at least in some instances. On the other hand, the Government's action so far indicates that it is prepared to see that the farmer receives a fair price for his produce in the light of prevailing circumstances. Incidentally, demand has been expressed for higher farm prices in several recent issues of *The Farmers Weekly* (closely identified with the influential National Farmers' Union),[23] particularly before the price increases mentioned for wheat, oats, and live hogs. These demands, however, may have been largely, or at least in part, for tactical reasons.

German submarine and mine operations thus far have not seriously threatened the United Kingdom's customary heavy imports of foodstuffs. It is estimated that to December 1 German destruction of Allied and neutral merchant shipping had been at least 100,000 tons below the total Allied seizures of cargo destined directly or indirectly for Germany.[24]

In retrospect, the British food-control system proper exemplifies the action of a democratic state in adjusting, with a minimum of friction and dislocation, a very vital segment of its national economy to meet the wartime challenge of a totalitarian state organized for some 5 years on a "military economy" basis.

[23] Whose former president, Sir Reginald Dorman-Smith, became Minister of Agriculture early in 1939.

[24] *New York Herald Tribune*, December 5, 1939.

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# AGRICULTURE IN THE VENEZUELAN TRADE AGREEMENT . . .

By Joseph L. Apodaca*

*The reciprocal trade agreement between the United States and Venezuela, to go into effect provisionally on December 16, 1939, is the eleventh agreement concluded with a Latin American country under the trade-agreements program. Commitments are made by the United States on 14 items. Half of these apply to agricultural products, which, except for one, are not grown in the United States. The major concessions obtained from Venezuela in favor of American agricultural exports apply to wheat flour, lard, canned fruits, and such fresh fruits as apples, pears, and grapes.*

## UNITED STATES - VENEZUELAN TRADE

The trade between the United States and Venezuela has sharply increased in the past 5 years, the expansion occurring in both exports and imports. Total trade between the two countries in 1938 was valued at $72,300,000, compared with $69,200,000 in 1937, a depression low of $26,600,000 in 1933, an average of $59,000,000 for the period 1926-1930, and an average of $16,500,000 for the period 1911-1915. According to United States records, exports to Venezuela from the United States had a total value in 1938 of $52,278,000, with total imports from that country valued at $20,035,000.

Exports of American products to Venezuela have more than doubled during the past 3 years. The principal classes of industrial products exported from the United States to Venezuela are industrial machinery; iron and steel manufactures; cotton, rayon, and wool fabrics; electrical apparatus; medicinal and pharmaceutical preparations; and a number of household goods. Chief among American agricultural exports to Venezuela are lard and meat products, dairy products, grains and grain preparations, canned vegetable products, and both fresh and prepared fruits. The United States supplies about one-half of Venezuela's total imports, with participation in 1938 reaching 56 percent.

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* Agricultural Economist, Office of Foreign Agricultural Relations.

Table 1. Principal agricultural exports from the United States to Venezuela
1938 with comparisons

| COMMODITY | UNIT | QUANTITY | | | | | | | | VALUE | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1913-14 | 1929 | 1933 | 1934 | 1935 | 1936 | 1937 | 1938 | 1913-14 | 1929 | 1933 | 1934 | 1935 | 1936 | 1937 | 1938 |
| | | | | | | | | | | *1,000 dollars* | *1,000 dollars* | *1,000 dollars* | *1,000 dollars* | *1,000 dollars* | *1,000 dollars* | *1,000 dollars* | *1,000 dollars* |
| Meat products - | | | | | | | | | | | | | | | | | |
| Hams and shoulders, cured | 1,000 lb. | 583 | 1,319 | 608 | 710 | 463 | 563 | 065 | 978 | 106 | 411 | 93 | 118 | 104 | 150 | 179 | 249 |
| Bacon | do. | 6 | 163 | 40 | 53 | 50 | 48 | 68 | 100 | 1 | 59 | 8 | 11 | 15 | 10 | 21 | 30 |
| Sausage, not canned | do. | 15 | 132 | 47 | 56 | 68 | 33 | 36 | 40 | 3 | 38 | 10 | 12 | 17 | 9 | 11 | 12 |
| Canned pork | do. | 3 | 205 | 111 | 169 | 111 | 111 | 129 | 214 | 1 | 85 | 33 | 46 | 42 | 47 | 68 | 95 |
| Canned sausage | do. | 4 | 108 | 28 | 45 | 35 | 85 | 108 | 205 | 1 | 28 | 6 | 9 | 10 | 19 | 25 | 53 |
| Others | do. | – | 541 | 43 | 64 | 62 | 149 | 237 | 321 | 23 | 110 | 7 | 7 | 11 | 24 | 40 | 65 |
| Total | do. | – | 2,468 | 877 | 1,097 | 787 | 989 | 1,243 | 1,856 | 135 | 731 | 157 | 201 | 199 | 265 | 342 | 504 |
| Lard | do. | 728 | 9,440 | 10,624 | 4,501 | 248 | 43 | 878 | a3,470 | 92 | 1,307 | 642 | 283 | 29 | 6 | 113 | a 331 |
| Dairy products - | | | | | | | | | | | | | | | | | |
| Condensed milk | do. | 13 | 586 | 158 | 107 | 51 | 88 | 368 | 325 | 1 | 67 | 26 | 15 | 7 | 12 | 48 | 44 |
| Evaporated milk | do. | (b) | 863 | 127 | 164 | 157 | 231 | 236 | 319 | (b) | 74 | 9 | 12 | 12 | 18 | 19 | 28 |
| Dried whole milk | do. | (b) | 447 | 133 | 257 | 214 | 209 | 362 | 1,663 | (b) | 189 | 48 | 91 | 75 | 76 | 130 | 657 |
| Dried skimmed milk | do. | (b) | | 9 | 4 | 8 | 20 | 14 | 47 | (b) | | 1 | (c) | 1 | 1 | 2 | 4 |
| Butter | do. | 408 | 300 | 32 | 44 | 26 | 18 | 32 | 66 | 69 | 179 | 12 | 16 | 10 | 8 | 14 | 25 |
| Infant's foods, malted milk, etc. | do. | (b) | 95 | 115 | 138 | 177 | 476 | 975 | 1,078 | (b) | 32 | 33 | 45 | 55 | 140 | 313 | 374 |
| Others | | – | – | – | – | – | – | – | – | 1 | 8 | 5 | 7 | 8 | 7 | 15 | 19 |
| Total | | – | – | – | – | – | – | – | – | 71 | 549 | 128 | 186 | 108 | 264 | 541 | 1.151 |
| Eggs, in the shell | 1,000 doz. | (c) | 159 | 49 | 10 | 3 | (c) | (c) | 3 | (c) | 75 | 8 | 3 | 1 | (c) | (c) | 1 |
| Grains and preparations - | | | | | | | | | | | | | | | | | |
| Oatmeal, oat groats, and flaked and rolled oats | 1 000 lb. | 18 | 698 | 658 | 778 | 1.414 | 2.628 | 3.769 | 5.057 | 1 | 91 | 61 | 74 | 130 | 223 | 346 | 430 |
| Paddy or rough rice | do. | 25 | 1,624 | 6 | 0 | 0 | 3 | 0 | 28 | 1 | 66 | (c) | 0 | 0 | (c) | 0 | 1 |
| Milled rice, including brown | do. | | | 361 | 237 | 67 | 26 | 134 | 211 | | | 9 | 8 | 2 | 1 | 4 | 7 |
| Wheat | 1,000 bu. | (c) | (c) | 0 | (c) | (c) | (c) | (c) | (c) | (c) | 1 | 0 | (c) | (c) | (c) | (c) | (c) |
| Wheat flour | 1.000 bbl. | 159 | 278 | 187 | 185 | 191 | 210 | 253 | 317 | 732 | 1,845 | 709 | 805 | 863 | 1,024 | 1.579 | 1,635 |
| Biscuits and crackers | 1,000 lb. | 802 | 911 | 279 | 230 | 279 | 562 | 837 | 1,006 | 58 | 169 | 46 | 52 | 69 | 138 | 206 | 252 |
| Others | | – | – | – | – | – | – | – | – | 10 | 31 | 14 | 18 | 23 | 14 | 25 | 30 |
| Total | | – | – | – | – | – | – | – | – | 802 | 2,203 | 839 | 957 | 1,080 | 1,400 | 2,160 | 2,355 |
| Vegetables and preparations - | | | | | | | | | | | | | | | | | |
| Potatoes, white | 1,000 lb. | d 11 | d 100 | 1,734 | 2,502 | 3,060 | 1,890 | 2,854 | 6,130 | 6 | 122 | 25 | 38 | 40 | 35 | 50 | 86 |
| vegetables, canned | do. | – | 818 | 172 | 263 | 220 | 277 | 477 | 720 | 4 | 96 | 20 | 31 | 29 | 35 | 64 | 86 |
| Ketchup and other tomato sauces | do. | – | 75 | 24 | 37 | 27 | 44 | 85 | 112 | 1 | 14 | 4 | 6 | 5 | 8 | 15 | 21 |
| Other sauces and relishes | do. | | 100 | 24 | 32 | 29 | 37 | 67 | 116 | | 21 | 6 | 9 | 9 | 11 | 18 | 29 |
| Yeast | do. | – | 28 | 67 | 77 | 107 | 127 | 159 | 189 | (c) | 8 | 12 | 15 | 19 | 24 | 27 | 28 |
| Others | | – | – | – | – | – | – | – | – | 10 | 64 | 9 | 16 | 12 | 14 | 23 | 55 |
| Total | | – | – | – | – | – | – | – | – | 23 | 325 | 76 | 115 | 114 | 127 | 197 | 305 |
| Fruits and nuts - | | | | | | | | | | | | | | | | | |
| Fresh fruits - | | | | | | | | | | | | | | | | | |
| Apples in boxes | 1,000 bxs. | (b) | 18 | 9 | 9 | 7 | 8 | 12 | 20 | (b) | 64 | 26 | 30 | 20 | 24 | 34 | 40 |
| Apples in barrels | 1,000 bbl. | 2 | 1 | 1 | (c) | (c) | (c) | (c) | (c) | 8 | 7 | 2 | 1 | (c) | (c) | (c) | (c) |
| Grapes | 1,000 lb. | (b) | 400 | 188 | 155 | 101 | 172 | 287 | 321 | (b) | 56 | 17 | 16 | 10 | 15 | 29 | 33 |
| Pears | do. | – | 174 | 192 | 172 | 107 | 177 | 220 | 287 | 1 | 19 | 14 | 15 | 8 | 11 | 17 | 19 |
| Others | | | | | | | – | – | – | 9 | 40 | 12 | 11 | 8 | 7 | 10 | 15 |
| Dried fruits - | | | | | | | | | | | | | | | | | |
| Raisins | do. | 25 | 270 | 109 | 68 | 84 | 113 | 241 | 202 | 2 | 37 | 13 | 6 | 9 | 12 | 26 | 20 |
| Prunes | do. | 5 | 108 | 97 | 87 | 108 | 124 | 262 | 269 | 1 | 14 | 9 | 9 | 10 | 10 | 25 | 22 |
| Others | do. | (c) | 48 | 50 | 76 | 49 | 54 | 88 | 100 | (c) | 9 | 6 | 11 | 7 | 7 | 11 | 20 |
| Canned fruits | do. | | 1.277 | 203 | 339 | 214 | 310 | 621 | 911 | 5 | 163 | 18 | 34 | 24 | 33 | 71 | 100 |
| Preserved fruits | do. | – | 110 | 25 | 38 | 26 | 37 | 46 | 48 | 1 | 20 | 4 | 0 | 4 | 7 | 9 | 9 |
| Nuts | do. | – | 30 | 19 | 29 | 20 | 21 | 37 | 43 | 1 | 11 | 4 | 6 | 5 | 6 | 10 | 11 |
| Total fruits and nuts | | – | – | | | – | | | | 28 | 140 | 125 | 145 | 105 | 132 | 242 | 289 |
| Cotton, unmanufactured | 1,000 lb. | 32 | 1,242 | 145 | 100 | 40 | 40 | 74 | 50 | 4 | 251 | 15 | 13 | 6 | 0 | 10 | 4 |
| Total principal agricultural exports | | – | – | – | | – | | | – | 1,155 | 5,881 | 1,990 | 1.903 | 1,706 | 2,200 | 3.605 | 4.940 |
| Other agricultural exports | | | – | – | | – | | | – | 53 | 271 | 75 | 95 | 120 | 117 | 226 | 317 |
| Total United States exports to Venezuela | | – | – | – | – | – | – | – | – | 1,208 | 6,152 | 2.065 | 1.998 | 1,826 | 2,317 | 3.831 | 5,257 |
| Percentage principal agricultural exports are to total agricultural exports | | | | – | | – | | | – | *Percent*<br>95.6 | *Percent*<br>95.6 | *Percent*<br>90.4 | *Percent*<br>95.2 | *Percent*<br>93.4 | *Percent*<br>95.0 | *Percent*<br>94.1 | *Percent*<br>94.0 |

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[a] Includes neutral lard beginning January 1, 1938.
[b] Not separately classified.
[c] Less than 500.
[d] In 1,000 bushels.

Compiled from *Foreign Commerce and Navigation of the United States* and official records of the Bureau of Foreign and Domestic Commerce.

Though imports from Venezuela into the United States in 1938, with a value of $20.035,000, were substantially above imports of depression years, they have declined during the past 3 years from a value of $26.258,000 in 1936. In 1938 about four-fifths of the direct imports consisted of 23,564,000 barrels of crude petroleum, worth $16.541,000. Next to crude petroleum and petroleum products, coffee is the most important product imported directly from Venezuela. Less important items imported in recent years are balata, divi-divi, tonka beans, orchid plants, and barbasco or cube root. Agricultural imports play a relatively minor role from the standpoint of value and are practically all of a tropical character.

A striking feature of the Venezuelan tariff policy has been the imposition of high duties on nearly all imports of consumers' goods, including foodstuffs. This reflects, on the one hand, the use of tariff measures to encourage the production, on a larger and more diversified scale, of agricultural and industrial products and, on the other hand, the considerable dependence of Venezuela on import duties as a source of revenue. The burden of tariff duties borne by consumers' goods is probably aggravated by the fact that most imports of capital goods, including machinery and building materials, enter free of duty or are subject to very moderate rates.

When the present Venezuelan tariff went into effect on October 23. 1936, the duties on a number of luxury products and other articles not considered necessities were increased, whereas duties on so-called necessities in a few instances were slightly reduced. A Venezuelan decree of September 11, 1939, issued as an emergency measure to protect consumers against rising prices resulting from war conditions, lowered the tariff rates on certain foodstuffs for an unspecified period of emergency.

Though for a few commodities (lard and rolled oats) the "emergency rates" are actually lower than those provided in the trade agreement, the duty on wheat flour is reduced in the trade agreement below the rate provided in the emergency decree. Upon the repeal of the emergency decree, the trade agreement will prevent the tariff duties on lard and rolled oats from rising to the former rate. In addition, it should be noted that the present trade agreement is designed to maintain and strengthen the unconditional most-favored-nation treatment that has regulated trade relations between the United States and Venezuela since May 12, 1938, when a provisional trade agreement between these two countries went into effect.

## AGRICULTURAL CONCESSIONS GRANTED TO VENEZUELA

The tariff concessions granted by the United States to Venezuela include 14 items, which in 1938 represented imports valued at approximately $17,759,000, or almost 88.6 percent of the total value of United States imports from Venezuela. Reductions in duty or excise taxes are made on four items, the existing duty is bound on another item, and duty-free entry is bound on the remaining nine commodities.

Of the 14 items, 7 may be classed as agricultural products. They are ground barbasco or cube root, tonka beans, orchid plants, cocoa or cacao beans, coffee,

Table 2. United States imports from Venezuela of agricultural items on which tariff concessions were granted, November 1939

| COMMODITY | RATE OF UNITED STATES DUTY | | | AD-VALOREM EQUIVALENT ON BASIS OF IMPORTS IN 1938 | | UNITED STATES IMPORTS FOR CONSUMPTION | | |
|---|---|---|---|---|---|---|---|---|
| | 1929 | BEFORE AGREEMENT | UNDER AGREEMENT | BEFORE AGREEMENT | UNDER AGREEMENT | 1929 | 1937 | 1938[a] |
| | | | | *Percent* | *Percent* | *1,000 dollars* | *1,000 dollars* | *1,000 dollars* |
| Barbasco or cube root, ground | 10 percent ad val. | 10 percent ad val. | 5 percent ad val. | 10 | 5 | (b) | (b) | (b) |
| Tonka beans ................ | 25 cents per pound | 25 cents per pound | 12½ cents per pound | 15.6 | 9.7 | 6 | 48 | 31 |
| Orchid plants .............. | 25 percent ad val. | 15 percent ad val. | 15 percent ad val. | 15 | 15 | (b) | 16 | 13 |
| Cocoa or cacao beans and shells thereof ........... | Free[c] | Free | Bound | Free | Bound | 2,716 | 1,695 | 759 |
| Coffee, except that destined to Puerto Rico ........... | Free | Free | Bound | Free | Bound | 13,687 | 3,286 | 1,964 |
| Barbasco or cube root, crude | Free | Free | Bound | Free | Bound | (b) | (b) | 8 |
| Gutta balata, crude ........ | Free | Free | Bound | Free | Bound | 58 | 0 | 0 |

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[a] Preliminary.

[b] Statistics not available.

[c] Shells of cacao beans dutiable at 10 percent under act of 1922.

gutta balata, and crude cube root. In the aggregate, these items represented only about 13 percent of the value of United States imports from Venezuela in 1938. Of the foregoing products, only orchid plants are produced domestically.

Reductions in duty on the agricultural imports mentioned above apply to ground *barbasco root* and *tonka beans*. On barbasco, a plant which is used for the manufacture of insecticides, the duty is reduced from 10 percent to 5 percent ad valorem. The duty on tonka beans is reduced from 25 cents a pound to 12½ cents a pound. Tonka beans contain a constituent known as coumarin, which is used for scenting tobacco, snuff, confectionery, and liquors. The tobacco industry is by far the largest consumer. United States imports of tonka beans from Venezuela and Trinidad, the two principal suppliers, were valued at $763,000 in 1938.

With respect to *orchid plants*, the agreement provides for a binding of the existing duty at 15 percent ad valorem, to which level it was reduced from 25 percent ad valorem in the agreement with the United Kingdom. Imports consist principally of two types: (1) The cultivated species or hybrids from the greenhouses of Europe; and (2) the native species collected in the tropics of South America. The United Kingdom, Venezuela, and Colombia are the principal sources of United States imports. Total imports in 1938 had a value of approximately $103,000; imports from Venezuela, $13,000.

*Cocoa* and *cacao beans* remained duty-free in the Tariff Acts of 1913, 1922, and 1930. They are bound on the free list in the present agreement, as they were in the trade agreements with Haiti, Brazil, Honduras, Nicaragua, El Salvador, Costa Rica, Ecuador, and the United Kingdom. Imports of cacao beans constitute the entire source of supply for the domestic cocoa and chocolate industry of the United States.

*Coffee*, which has been on the free list under all recent tariff acts and has received duty-free binding in agreements with nine countries, is again assured duty-free status in the present agreement, except when imported into Puerto Rico. Imports of coffee into this country range from 1.5 to 2 billion pounds a year, the great bulk of it coming from Brazil. Imports from countries other than Brazil are generally made up of mild coffees used for blending. Colombia and Venezuela are the chief suppliers of these mild coffees. Imports from Venezuela were valued at $1,964,000 in 1938.

Another item that has been duty-free under all tariff acts since 1913 is crude barbasco root. In the present agreement the retention of duty-free status is promised. This plant, from which insecticides are made, is imported in a dried or ground condition. The domestic needs are supplied solely by imports, with Peru, Brazil, and Venezuela the principal sources. In 1938 imports from Venezuela were valued at $8,167.

Crude *gutta balata*, the coagulated latex of a tree found in northern South America, is used chiefly in the manufacture of covers for golf balls, transmission belts, footwear, chewing gum, medical tape, and marine cables. This item has been bound on the free list in trade agreements with Brazil and Colombia and is likewise bound in the present agreement.

Table 3. United States Exports to Venezuela of agricultural items on which tariff concessions were obtained November 1939

| COMMODITY | VENEZUELAN UNITS[a] PER GROSS KILOGRAM | | AMERICAN UNITS PER POUND | | EXTENT OF REDUCTION | EXPORTS TO VENEZUELA | | |
|---|---|---|---|---|---|---|---|---|
| | OLD RATE[b] | AGREEMENT RATE | OLD RATE[b] | AGREEMENT RATE | | 1929 | 1937 | 1938 |
| | *Bolívares* | *Bolívares* | *Cents* | *Cents* | *Percent* | *1,000 dollars* | *1,000 dollars* | *1,000 dollars* |
| Lard | [c] 1.20 | 0.90 | 17.2 | 12.9 | 25 | 1,307 | 113 | 331 |
| Apples, pears, and grapes, fresh | 1.00 | 0.75 | 14.3 | 10.7 | 25 | 147 | 80 | 92 |
| Fruits, dried, not specified, including raisins, prunes, apricots, peaches, apples, pears, and mixed fruits | 1.20 | 0.90 | 17.2 | 12.9 | 25 | 59 | 62 | 62 |
| Fruits, canned or bottled in their own juice | 1.20 | 0.90 | 17.2 | 12.9 | 25 | [d] 163 | [d] 71 | [d] 100 |
| Fruits, canned or bottled in sirup | 1.30 | 1.00 | 18.6 | 14.3 | 23 | | | |
| Wheat flour | [e] 0.40 | 0.24 | 5.7 | 3.4 | 40 | 1,845 | 1,579 | 1,635 |
| Vegetable products - soups, sauces, and relishes, canned or bottled | 1.20 | 0.80 | 17.2 | 11.4 | 33-1/3 | 131 | 97 | 137 |
| Bacon | 1.20 | 1.20 | 17.2 | 17.2 | Bound | 59 | 21 | 30 |
| Oats, crushed and rolled | [f] 0.20 | 0.20 | 2.9 | 2.9 | Bound | 91 | 345 | 430 |
| Oat flour | 0.40 | 0.40 | 5.7 | 5.7 | Bound | (g) | (g) | (g) |
| Hams | 1.20 | 1.20 | 17.2 | 17.2 | Bound | 411 | 179 | 249 |
| Pork sausages | 1.20 | 1.20 | 17.2 | 17.2 | Bound | 38 | 11 | 12 |
| Canned pork | 1.20 | 1.20 | 17.2 | 17.2 | Bound | 113 | 91 | 147 |
| Prepared milk, including evaporated, condensed, dried, skimmed, and dried whole milk | 0.50 | 0.50 | 7.2 | 7.2 | Bound | 330 | 199 | 732 |

[a] The bolívar is the Venezuelan monetary unit. The average exchange rate in September 1939 was 3.17 bolívares to 1 dollar.

[b] "Old rate" signifies the 1936 tariff rate as amended.

[c] Rate of duty reduced to 0.80 bolívar per gross kilogram (11.4 cents per pound) by Venezuelan decree of September 11, 1939.

[d] Total canned fruits.

[e] Rate of duty reduced to 0.30 bolívar per gross kilogram (4.3 cents per pound) by Venezuelan decree of September 11, 1939.

[f] Rate of duty reduced to 0.10 bolívar per gross kilogram (1.4 cents per pound) by Venezuelan decree of September 11, 1939.

[g] Export figures not available.

## AGRICULTURAL CONCESSIONS OBTAINED FROM VENEZUELA

Reductions in duty in favor of United States agricultural exports are obtained from Venezuela on seven tariff items covering such products as wheat flour, lard, certain fresh fruits, a number of dried fruits, canned or bottled fruits, and vegetable preparations. The extent of the reduction and significance of the trade in each commodity is indicated below.

*Wheat flour* is the most important food product exported to Venezuela from the United States. Exports of this commodity in 1938 amounted to 317,000 barrels valued at $1,635,000. An emergency decree of September 11, 1939, reduced the Venezuelan duty from 0.40 to 0.30 bolívar per gross kilogram (5.7 to 4.3 cents per pound) for a period of emergency. Under the trade agreement a further reduction to 0.24 bolívar per gross kilogram (about 3.4 cents per pound) is obtained. This represents a 40-percent reduction of the former or pre-emergency rate.

Another concession of importance is made on lard. The agreement rate represents a reduction from 1.20 to 0.90 bolívar per gross kilogram (17.2 to 12.9 cents per pound). The special emergency rate of 0.80 bolívar (11.4 cents), effective since September 11, 1939, will apply as long as the provisions of the decree remain in effect. Though 1938 exports of lard from the United States to Venezuela were valued at only $331,000, in former years this trade exceeded $1,000,000 in value.

More favorable treatment on *fresh fruits* is provided for American apples, pears, and grapes. The duty on these is reduced from 1.00 to 0.75 bolívar per gross kilogram (14.3 to 10.7 cents per pound), or a reduction of 25 percent. Exports of these three fruits increased between 1937 and 1938, amounting in the latter year to a value of $92,000. Exports are still somewhat below the 1929 values.

Reductions of 25 percent are also made in duties with respect to a variety of *dried fruits* as well as *canned* or *bottled fruits*. Exports to Venezuela of these two classes in 1938 were valued at $62,000 and $100,000, respectively. On *vegetable preparations*, such as soups, sauces, and relishes (both canned and bottled), the combined exports of which were valued at $137,000 in 1938, the duty is reduced from 1.20 to 0.80 bolívar per gross kilogram (17.2 to 11.4 cents per pound).

Finally, the existing duties are bound in the agreement with respect to seven food items of interest to agriculture. The principal ones from the standpoint of export value are *prepared milk*, *crushed* and *rolled oats*, *hams* and *canned pork*. Statistics for 1938 give the combined value of the exports of these items at approximately $1,558,000. Bindings of the existing duties are also obtained on bacon, oat flour, and pork sausages. Table 3 indicates the existing duties on these articles, as well as on the other agricultural items for which concessions were obtained.

The foregoing discussion covers only the items of interest to agriculture involved in concessions granted to and obtained from Venezuela by the United States under the new trade agreement. No attempt is made here to indicate the concessions relating to the nonagricultural products, which represent, from the standpoint of trade value, the more important commitments made by the United States, as well as the greater part of the total concessions received.

As an indication of the relative importance of agricultural concessions, a glance at the trade statistics should suffice. In 1938 imports into the United States from Venezuela had a total value of $20,035,000. Of this total, all the items on which commitments are granted to Venezuela represented $17,759,000, whereas the agricultural share of these items amounted to only about $3,000,000. In the same year, exports from the United States to Venezuela had a total value of $52,278,000. All articles affected by concessions obtained from Venezuela accounted for $18,712,000, of which approximately $3,962,000 represented agricultural items. It is of interest to note, however, that, as a whole, the more important concessions from the point of view of percentage of tariff reductions obtained were made on agricultural products.

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# AGRICULTURE IN HAITI . . . . .

By Atherton Lee*

*Haiti is predominantly agricultural, with home production supplying practically all of the subsistence of the 3 million inhabitants and furnishing more than 95 percent of total exports. Soils are of limestone origin and very fertile, though the problem of soil erosion in hillside areas is a serious one. The fertile soils, combined with a low wage scale, physical well-being of the population when compared with that of neighboring tropical peoples, and a stable government, make it possible for Haitian products to compete successfully for foreign markets. At the present time, the principal export crops are sugar, coffee, and cotton; but increased attention is being given to the development of crops subject to less severe competition, such as bananas, vegetable oils, hemp, sisal, and limes.*

## PREDOMINANCE OF AGRICULTURE

Haiti has 11,000 square miles of territory, or slightly more than the State of New Jersey. A national census has never been taken, but the estimated population is 3 million, or an average of 273 people per square mile. This compares with 501 people per square mile in Puerto Rico, 80 in the Dominican Republic, 1,134 in Barbados, and 263 in New York State. More than 95 percent of the population of Haiti would be classed as rural, since Port-au-Prince, which is the only metropolitan area, has a population of only 120,000.

Haiti has few industrial activities, and these at present are of minor value. The comprehensive *Annual Report of the Fiscal Representative of the United States* for 1936-37 shows that more than 96 percent of all exports were of direct agricultural origin. See table, page 588.

### FERTILE SOILS OF LIMESTONE ORIGIN

Throughout Haiti, soils of limestone origin predominate.[1] Most of these soils are high in organic matter and unusually fertile and productive for certain types of crops. They constitute one of Haiti's principal assets. Much of the area of Haiti is mountainous; but even steep hillsides in most cases are fertile, and careful selection of crops with due regard to soil conservation could render them lastingly productive.

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* Director of the Experiment Station, Mayaguez, Puerto Rico

[1] See *Geology of the Republic of Haiti*, by Wendell P. Woodring, John S. Brown, and Wilbur S. Burbank, Port-au-Prince, 1924

Table 1. Exports of principal agricultural products and total exports from Haiti, 1937-38 with comparisons

| ITEM | QUANTITY | | | | | VALUE | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | AVERAGE | | | | | AVERAGE | | | | |
| | 1916-17 TO 1925-26 | 1926-27 TO 1930-31 | 1931-32 TO 1935-36 | 1936-37 | 1937-38 | 1916-17 TO 1925-26 | 1926-27 TO 1930-31 | 1931-32 TO 1935-36 | 1936-37 | 1937-38 |
| | *1,000 pounds* | *1,000 pounds* | *1,000 pounds* | *1,000 pounds* | *1,000 pounds* | *1,000 dollars* | *1,000 dollars* | *1,000 dollars* | *1,000 dollars* | *1,000 dollars* |
| Coffee | 67,646 | 70,112 | 67,946 | 54,689 | 55,253 | 10,744 | 11,859 | 5,898 | 4,679 | 3,465 |
| Cotton | 7,037 | 10,307 | 12,953 | 11,886 | 10,322 | 1,478 | 1,592 | 1,217 | 1,533 | 1,052 |
| Sugar, raw | [a] 10,223 | 21,513 | 58,956 | 69,155 | 73,811 | [a] 428 | 443 | 555 | 777 | 746 |
| Bananas | (b) (c) | [d] [e] 2 | [d] 290 | [d] 1,327 | [d] 1,363 | (b) (f) | [e] 1 | 78 | 376 | 400 |
| Cacao, crude | 4,263 | 3,893 | 2,693 | 3,166 | 3,453 | 397 | 303 | 77 | 200 | 139 |
| Logwood | 91,145 | 61,723 | 29,020 | 34,568 | 19,596 | 843 | 520 | 126 | 129 | 75 |
| Sisal | 137 | 627 | 10,236 | 13,662 | 15,924 | 10 | 30 | 383 | 765 | 647 |
| Total | - | - | - | - | - | 14,873 | 15,560 | 8,687 | 8,971 | 6,946 |

[a] 9-year average.

[b] 3-year average.

[c] Less than 500 bunches.

[d] Thousands of bunches.

[e] 4-year average.

[f] Less than $500.

*Annual Report of the Fiscal Representative*, October 1937-September 1938.

## CHEAP LABOR SUPPLY

The wage scale for adult men in Haiti varies between 50 centimes and 1.50 gourdes per day (from 10 to 30 cents). This compares with wage scales of 35 or 40 United States cents per day in the nearby British possessions of Jamaica and Trinidad, 80 cents to $1 per day in Puerto Rico, and $1 to $1.50 per day in such banana-producing countries as Honduras, Guatemala, and Costa Rica. The wage scale in such oil-producing countries as Venezuela and Colombia is even higher, and agricultural labor much scarcer. Cuba has a minimum wage for sugar-cane laborers of $1 per day. Brazil is the only country of the Western Hemisphere of any large population where the wage scale may possibly approach the low level of the wages paid in Haiti.

In the Eastern Hemisphere, agricultural labor in the Philippines is paid from 40 to 50 cents per day. The wage scale in Japan is probably comparable to that in Haiti. Java pays the equivalent of from 10 to 13 cents per day for sugar-cane labor. China and probably parts of India have in general wage scales as low as, or even lower than, those in Haiti. The latter, however, may be considered a country of very cheap labor, which, when well directed, enables it to undersell most tropical countries of the Western Hemisphere in many products.

## COMPENSATIONS FOR LOW WAGE SCALE

The competitive position of Haitian agriculture is further strengthened by an orderly and stable government. Property ownership is secure, and there are comparatively few acts of violence. Visitors to Haiti usually comment upon the friendly character of the people.

Although the wage scale in Haiti is among the lowest, if not the lowest, in the Western Hemisphere, the population has an appearance of generally good physical condition, and there are relatively few signs of nutritional deficiencies. The explanation probably lies in the wide distribution of the ownership of land among the people. A large percentage of the population either owns the land directly or belongs to a landowning family. In some sections of the country, however, malaria is sufficiently prevalent to be a factor in agricultural production. Filariasis, or elephantiasis, another mosquito-borne disease, is observed frequently. Efforts to extend education are being made, which will aid in the control of these diseases. Assistance is needed, however, in both health measures and general and agricultural education.

In Java with its 822 people per square mile, the Netherland Government years ago developed a policy for the abundant production of foodstuffs as a first essential. This has resulted in a population of contented people in a state of relatively good physical well-being, even though the wage scale is low. The same effect has been obtained in Haiti. For many years there was no definite agricultural policy, but in recent years the abundant production of cheap foodstuffs has been made a primary consideration. This indirectly aids export industries by keeping the standard of nutrition of agricultural labor high and wages low. For Haiti to be able to export agricultural products in competition with other countries, it is essential to maintain this advantage of cheap wages.

## AGRICULTURAL PRODUCTION

### PRINCIPAL EXPORT CROPS

From 1916 to 1937, coffee constituted 72 percent of the value of all exports from Haiti, although during this 20-year period the exportation of coffee gradually declined in proportion to that of other crops until in 1937 it represented only 52 percent of the total value.

Cotton during the same period of 20 years averaged approximately 11 percent of the value of all exports. In the past few years it has been increasing in value in proportion to other export crops, in 1937 constituting 17 percent of the total.

Both cotton and coffee are among the most overproduced and competitive in the world today and have been so for the past 6 or 8 years. Sugar, now the third item of export in value, without any tariff-protected market is also an overproduced crop, as is cacao. Thus, Haiti during the past few years, in producing coffee, cotton, sugar, and cacao as its principal cultivated crops, has been encountering the severest competition possible in agricultural production.

In the production and marketing of coffee, Haiti has the assets of comparatively high soil fertility, cheap labor, and a type of coffee that commands a definite and not highly competitive position in the coffee trade. As for the other principal exports, however, apparently competition has been so great and prices so low as to discourage production. This has been especially true of cotton. The ravages of the boll weevil, as well as of the pink bollworm, have severely handicapped the peasant producers of this crop and made competition even more difficult than formerly.

### DEVELOPMENT OF NEW CROPS

Because of its geographic position, Haiti has an advantage, as compared with countries of the Eastern Hemisphere, in the production of such tropical crops as Manila hemp, sisal, some of the industrial-oil and insecticidal crops, and essential oils requiring an abundance of cheap labor. Though an attempt is being made to maintain the value of the exports of coffee, cotton, logwood, sugar, and cacao in Haiti, increasing attention is now being given to less competitive agricultural products.

Haiti appears to be favorably situated for the production of bananas as compared with some of the other tropical American countries, not only because of cheaper labor costs but also because of more favorable climatic conditions for the avoidance of the destructive banana-leafspot disease. The expansion of the banana industry in well-chosen localities to avoid disease has been one of the undertakings to increase the income of the country.

### CLIMATE AN ASSET

There are parts of Haiti in which the rainfall is not abundant, and the vegetation in many places is that of a semiarid country. In other regions rainfall is well distributed, and in still others there are pronounced wet and dry seasons. The selection of crops adapted to these regions of different rainfall is beginning to make an asset rather than a liability of the Haitian climate.

On unirrigated areas sisal is being produced, and trials are being made with the more recently used industrial-oil plant, chia, and the insecticidal plants of the genus *Tephrosia*. The oil plant *Moringa oleifera* also thrives in this climate, as does a species of tung-oil tree. The African oil palm and coconuts as sources of vegetable oils can be grown as hillside crops and possibly can be produced as cheaply in Haiti as in other parts of the world.

Among the citrus fruits, limes thrive in Haiti, which with its advantages of soil and labor conditions can easily undersell other lime-producing countries. On the more humid hillsides, Manila hemp is being tried, and the limestone soils may give Haiti an advantage over the East Indies in the production of this crop. The insecticidal plants of the *Deguelia* (Derris) and *Lonchocarpus* genera, the roots of which are now in great commercial demand, are showing themselves well adapted to the lowlands having adequate rainfall.

### SOIL EROSION AND CONTROL

Authoritative sources state that from 75 to 100 years ago most of the hills of Haiti were clothed in forests. At the present time, however, most of them are denuded. The disappearance of hill coverings has resulted from the cutting of firewood and of logwood (*campeche*) for export, the production of charcoal, and the use of hillsides for corn and other cultivated crops. The soil on these denuded hills is now exposed to the weather, and on all sides there are evidences of destructive erosion.

Denuded and eroded hillsides from which topsoils have been washed away, leaving limestone rubble or bare limestone, result in quick run-off and floods. These repeatedly destroy public works and injure agricultural enterprises. The severe rains and steep hillsides cause sudden freshets, which carry soil, rocks, and rubble with them. These rubble-filled freshets have clogged culverts, destroyed bridges, changed water courses, and filled reservoirs. A culvert filled with rubble and with the stream diverted to one side is a common sight. Reservoirs have been entirely filled with sand and rubble to the very rim of the retaining dam, with no storage capacity left.

It is now being appreciated that, for any permanent system of public works, reforestation of the denuded hills is fundamental; from the agricultural viewpoint, such reforestation is even more urgent. It was formerly believed that, with more profitable crops in the lowlands, the population would shift from the hills and the hillsides would gradually reforest themselves. The ever-increasing population, however, and the production of profitable export crops in the lowlands tend to drive small farmers to the hillsides to produce food crops. Government agencies now consider a definite program of reforestation necessary in Haiti.

Reforestation is now being expedited with crop plants. As an example, nurseries of the semitropical tung-oil species have been established, and some reforestation with such trees is expected to prevent soil erosion fully as well as a crop of timber trees; moreover, the financial returns are expected to be quicker and probably greater than from timber. Other forest crops that have suggested themselves as of higher value than timber trees are the African oil palms, logwood, mango trees, breadfruit trees, the chestnut palm of Honduras, the vegetable-oil tree *Moringa oleifera*, and a number of similar crops. Coffee groves with their shade trees constitute a crop that lessens erosion in the mountains at the higher elevations, and this is one reason why the cultivation of coffee, although a product meeting severe world competition, is being continued.

Among the timber crops, reforestation is being tried with teakwood and the indigenous, quick-growing pine tree of Haiti rather than with the slow-growing West Indian mahogany. The tanbark-producing divi-divi grows well under semiarid conditions. The planting of date palms could be increased to some extent, though for local use rather than for export.

Some of the industrial bamboos have been imported and are grown for their value in producing furniture and farm structures in Haiti and in raising the standard of living among small farmers. Bamboo has been one of the best crops obtainable for checking soil erosion, and large areas are being reforested with bamboo. Bamboos, teakwood, and Venezuelan mahogany are suited to the regions having well-distributed rainfall.

## AGRICULTURAL TECHNOLOGY

The Service Technique Agricole of the Government of Haiti has a small staff of well-trained, responsible men at its central station at Damien. This service has not yet been utilized to any extent by the agricultural industries because few communities are familiar with the technical phases of agriculture. The Service Technique, however, may become an important factor in the economic reconstruction of Haiti and is being given added responsibilities.

Most of the newly developed crops, if not previously grown in Haiti, have been introduced and are under cultivation at the farm of the Service Technique. New industries resulting from these crops may easily add several million dollars annually to the export balance of Haiti.

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## WARTIME AGRICULTURAL POLICY OF CANADA

Canadian agricultural policy at the present time is aimed at discouraging radical changes in prices and production of Canadian agricultural products so as to avoid serious problems of post-war readjustment, according to a report received in the Office of Foreign Agricultural Relations from the American agricultural attaché at Ottawa.

Moderate price increases, which would restore a greater measure of prosperity to Canadian farmers, are desired; but marketing arrangements now being worked out in cooperation with the British Government are intended to spare the British Treasury and to minimize the disparity in the balance of payments due Canada. Similarly, even though Canada is at war, the Dominion Department of Agriculture is recommending stability in Canadian crop production and only moderate increases in the production of livestock products. Increases in the production of bacon and cheese are being immediately recommended, and preparations for future increases in the production of beef, butter, and eggs are being suggested as desirable if the war is to continue for 2 years or longer.

*Wheat* - Maintenance of the Canadian wheat acreage at the 1939 level was recommended by the Minister of Agriculture in his Winnipeg speech on November 15. Any thought, however, of inducing Canadian farmers to curtail wheat production, such as may have been entertained during the recent international wheat meetings, has been shelved. In order to prevent the expansion of wheat acreage onto submarginal lands, the Minister of Agriculture is recommending some acceleration of the Canadian Government's established program of acquiring ownership of such lands and reserving them for pasture.

Arrangements for selling Canadian wheat to the British purchasing agent are being worked out in London by the head of the Canadian Wheat Board. Until recently the difficulty has been encountered that, when orders were placed on the Winnipeg Exchange, prices immediately stiffened and trade was throttled. It is understood that arrangements are now being made whereby the Board will offer daily sufficient wheat to satisfy British orders for the day without disturbing the price but will not press Board-controlled wheat in competition with private offerings to the extent of depressing prices.

If the new arrangements result in providing the desired continuity of sales at a steady price, it is believed that the British Government will permit British millers to increase the maximum percentage of Canadian wheat that may be used in
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their milling mixtures to a figure above the current 40-percent limit. The Canadian Government is anxious to continue the use of the Winnipeg Exchange for the marketing of Canadian wheat in order to avoid the political complications that inevitably would arise if a Government selling agency were to take its place.

*Pork products* - Bacon is the chief agricultural item for which the Dominion Department of Agriculture is urging increased production. A further advance toward the goal of 280 million pounds of Canadian cured-pork shipments to the United Kingdom, as established in 1932, is expected during 1940. To accomplish this, in view of the present British policy of fixing maximum prices, it is considered necessary to make an agreement with the British Government for the shipment of specified quantities at specified prices.

*Dairy products* - Some increase in the production of Canadian cheese is likewise being urged. In contrast with Canadian butter, Canadian cheese enjoys a well-established position in the British market; and it seems to be the official opinion that, by stimulating larger exports of cheese to meet wartime demands, the Government is merely accelerating a natural and well-justified development. The dairy industry has been warned against accepting certain indications that a shift from cheese production to butter production is warranted at this time. Increased production of butter is recommended only through gradual expansion of the dairy industry. In official quarters no large increase in the demand for Canadian butter is expected to materialize unless the war lasts for 2 years or more.

*Beef cattle* - Increased production of Canadian beef is being recommended, but, of course, this requires several years to accomplish. Canadian shipments of heavy cattle to the United States during 1939 are likely to equal the maximum permitted by the United States tariff quota as established in the trade agreement and the Presidential proclamation of February 27, 1939. Canadian officials expect the quota to be filled again in 1940 and have already requested segregation of the 1940 quota as between Canada and other countries on essentially the same basis as that which obtained during the last three quarters of 1939.

*Apples and pears* - Fresh apple and pear shipments from Canada to the United Kingdom may be made under an open-license arrangement, effective November 20, to the extent of 50 percent of the average for the last 2 crop years. The Canadian quota is said to amount to 1,332,000 hundredweight (112 pounds) of apples and 18,000 hundredweight of pears. A considerable part of this volume has already gone forward. Boxed apples from British Columbia will make up most of the apple-quota shipments. Most of the Nova Scotian apples will be diverted to canners and dryers under the previously announced plan. Canadian shippers will know when the 50-percent quota has been filled by reference to the cumulative total of export certificates that are issued by inspectors of the Fruit and Vegetable Division of the Department of Agriculture and that must accompany each shipment.

The prices guaranteed to Canadian apple growers under the diversion plan were determined at rates representing 65 percent of the previous 3-year average. Even at this reduced scale of prices, growers are well pleased, since the plan saves them from a demoralized market situation. Most of the apples diverted for processing are expected to be dried. Drying operations will probably continue until the end of December. The diversion program will result in the production of four or five times as much canned and dried apples as in recent years. Only as much of these increased supplies will be placed on the market as can be sold without unduly depressing market prices. The balance will be stored or given away for consumption outside of ordinary market channels, possibly for supplementing army rations.

*Tobacco* - Negotiations for the marketing of the Canadian tobacco crop are now being carried on. The opening of the tobacco-selling season, originally scheduled for the third week of November, may be slightly deferred pending the outcome of these negotiations. Canadian tobacco growers are confronted with the same situation that caused the temporary closing of tobacco auction markets in the United States last September, namely, the withholding of British foreign exchange needed for British purchases.

At Ottawa consideration has been given to a plan whereby the Agricultural Products Cooperative Marketing Act of 1939, which provides for advances of as much as 80 percent of the appraised value, may be used to finance the tobacco crop without the necessity of obtaining additional appropriations from Parliament. After allowing for financed tobacco to be promptly taken up by Canadian manufacturers, the remaining quantity of tobacco that would otherwise have been exported would not require an excessive claim on the available funds.

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## NEW ZEALAND AIMS AT SELF-SUFFICIENCY IN WHEAT[1]

With a population of 1,500,000 people, New Zealand requires approximately 9 million bushels of wheat annually for all purposes. Some 7 million bushels are used for flour, 1.5 million bushels for feed, and half a million bushels for seed.

It is the established policy of New Zealand to make the country as far as possible self-sufficient in wheat. During the 2 crop years ended with 1937-38, the production of wheat averaged 6,283,000 bushels annually. Imports of wheat during the 2 calendar years 1937 and 1938 averaged 2,514,000 bushels. More than 96 percent of the imports came from Australia and the balance from Canada.

Because of the close proximity of Australia, Canadian wheat cannot compete in price with Australian in the New Zealand market. Imports from Canada, therefore, are confined largely to small quantities of hard wheat needed for blending purposes. As the New Zealand bakers, with the assistance of the Wheat Research Institute, learn to use their own flour unblended with hard-wheat flour, imports from Canada
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are expected to decline. All wheat is imported in bags, since there are no elevators in New Zealand or facilities for handling wheat in bulk.

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[1] Based on an article by W. F. Bull, Canadian Trade Commissioner in Auckland, and published in the *Commercial Intelligence Journal* for October 21, 1939, issued weekly by the Canadian Ministry of Trade and Commerce.

Every encouragement is given to farmers to produce wheat. The prices of lamb, mutton, and wool, however, determine to a large extent the acreage sown to wheat. The latter has ranged from 302,000 acres in 1933 to 193,000 acres for the 1938-39 crop year. The average for the past 10 years has been 241,000 acres, with an average production for the same period of about 7,506,000 bushels. Practically all of the New Zealand crop is grown in South Island and much of it must be shipped to North Island for milling.

Prior to March 11, 1936, New Zealand imported a substantial quantity of top-grade flour from Canada and the United States. On that date, however, the Government prohibited the importation of flour and took over control of wheat imports. All flour consumed in New Zealand is now milled in the Dominion. Each mill extracts all of the flour possible in one straight line, and no attempt is made to extract patents or other grades. Per-capita consumption of bread averages half a pound per day, and of flour 180 pounds per year.

The wheat and flour trade is controlled by the Board of Trade (Wheat and Flour) Regulations, administered by the Wheat Committee operating under the Minister of Industries and Commerce. The embargo on the importation of wheat and flour leaves the whole of the domestic market to the New Zealand wheat grower and flour miller. When local production falls short of requirements, the Wheat Committee on behalf of the Government imports wheat and distributes it among the mills.

New Zealand flour mills operate under a sales quota based on the average volume of flour milled in 1933, 1934, and 1935. Both the buying of wheat for the miller and the selling of flour to the baker are done through the Wheat Committee. The price the miller pays for wheat and the price he gets for flour are fixed by the Government.

For the past 2 years the price of wheat paid to the farmer has been set at 5s.9d. per bushel, f.o.b. nearest port, sacks extra. The same price (92 cents at the October 1939 average rate of exchange) has been set for 1940. This price gives the grower approximately 5s.3d. (84 cents) per bushel on his farm.

Wheat may be delivered with up to 15.5 percent moisture content without any adjustment in price. If wheat contains more than 15.5 percent moisture, an adjustment is provided for. The method of determination is the Carter-Simon process, and any dispute is referred to the Wheat Research Institute, whose decision is final. For wheat containing between 15.5 and 16.5 percent moisture, a deduction of 4d. (5 cents) per bushel is made. Millers are prohibited from accepting, and farmers from delivering, as f.a.q. milling wheat any wheat containing more than 16.5 percent moisture.

While the basic price paid to the farmer is 5s.9d. (92 cents), f.o.b. his nearest port, the basic price paid by the flour miller for wheat is 4s.9d. (76 cents) per bushel, f.o.b. the grower's nearest port. The differential of 1s. (16 cents) per bushel represents a subsidy to the farmer. By means of this subsidy the price of wheat can be kept at an attractive level, and the price of bread kept low, 5½d. (7-1/3 cents) per 2-pound loaf. The subsidy paid out of the Treasury in 1938 was estimated at $1,400,000.

So far this year the Wheat Committee has made a profit on Australian wheat purchased for less than 2s.4d. (37 cents per bushel), f.o.b. Australian ports, and sold to millers at 4s.9d. (76 cents) per bushel. This profit on Australian wheat is used in meeting the subsidy paid to the New Zealand wheat grower.

In an effort to increase the production of Marquis wheat (which when blended with the ordinary Tuscan variety improves the quality of New Zealand flour), the Government is paying the farmer this year a bonus of 6d. (8 cents) per bushel on all Marquis wheat sold. This subsidy, plus the guaranteed price of 5s.9d. (92 cents) per bushel gives the farmer $1.00 per bushel, f.o.b., for Marquis wheat.

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## URUGUAY IMPOSES TAX ON WARTIME PROFITS

Under a law passed by the Uruguayan Congress on September 28, 1939, there was imposed a surtax on surplus profits of the pastoral producers of that country. This tax amounts to 25 percent of the difference between the current price of pastoral products and the average price in the two preceding seasons, whenever, of course, the former exceeds the latter. It is contemplated to use the proceeds from this tax to lower the prices of other products considered to be prime necessities. This information reached the Department of Agriculture through a series of despatches from the American consulate at Montevideo.

Subsequent to the enactment of the law, an executive decree of October 26 stipulated the specific regulations governing the tax on wool and sheepskins. This decree provides that, until further notice, wool and sheepskins will be subject to a tax of 5 percent of their current prices. It is felt that this is consistent with the general law, inasmuch as prices of wool and sheepskins have risen 20 percent since September 1, so that 5 percent of the present price is about equivalent to 25 percent of the difference between the current price and the average price prior to September 1. This 5-percent tax is to be levied on the f.o.b. price of exported wool and sheepskins.

Funds collected through the tax on wool are to be used to lower the prices of certain necessities. Sugar is one of those for which price-control measures have been established. An executive decree of October 29 provides as follows with respect to sugar: The customs authorities are to deduct 5-1/2 centesimos per kilogram (1.32 cents per pound) from the duty collected on imported sugar. On October 29, when the decree was issued, this was equivalent to approximately 25 percent of the
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difference between the average price of sugar in the 2 preceding years and the current price. In turn, the customs authorities are to be reimbursed from funds collected by the special commission in charge of administering the surplus-profits tax on pastoral products.

Thus, it is contemplated that the import price of sugar will be reduced as desired. This gives an indication of what will be done by way of controlling the prices of other articles of prime necessity through the application of the tax on surplus profits.

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## MEXICAN WAR EMERGENCY CONTROL OF EXPORTS

A despatch from the American consulate at Mexico City reports that the Mexican Government issued on October 9, through the Ministry of Finance and Public Credit, a resolution prohibiting exports from Mexico of a number of agricultural commodities. The items involved include wool of all kinds, sheep, goats, mules, undressed and tanned hides and skins, goat hair, beans, wheat, and corn. This measure is based on authority conferred by the customs law in effect and is designed to prevent a scarcity of these articles in the country, such as might occur should their exportation be stimulated as a result of the European conflict.

In this connection, it may be noted that the current European war has created new export and import difficulties in Mexico. A report received recently from the commercial attaché at Mexico City points out that the two classes of agricultural products most adversely affected since the outbreak of the European war are those of which Mexico has an export surplus that heretofore went largely to belligerent nations and those that are imported into Mexico to help meet total domestic requirements.

Chief among the former are sugar, coffee, and chickpeas. The latter include corn, wheat, rice, beans, and a number of pastoral products. On the other hand, chicle and henequen, both important export products, are reported to have fared well. Although exports of henequen to Europe have fallen off materially, the decline has been offset by increased sales in the United States and rising prices.

It is reported that there is a surplus of approximately 198 million pounds of plantation white sugar. It is expected that about 132 million pounds will be held as reserve and a balance of 66 million pounds will be left for export. Through the first 5 or 6 weeks of the war, the sugar situation was rather favorable from a price standpoint, since the price of plantation white sugar at United States ports rose from $1.90 to as high as $3.40 per 100 pounds.

Coffee exports suffered upon the outbreak of war in Europe. These exports normally amount to something like 35,000 tons, or 83 percent of the total crop.
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The loss of the German market, coupled with prospects of decreased exports to other countries of Europe, is expected to reduce, at least temporarily, the recent peacetime level of coffee exports by 25 or 30 percent.

Exports of chickpeas have also been adversely affected by the war in Europe. It is estimated that the present harvest will yield a total of 66 million pounds. Exports have been unfavorable since sales to the Republican government in Spain ceased, and the European market as a whole as late as October 10 was reported to be practically closed. Chickpeas were being shipped to New York for storage in the hope that ocean transportation facilities would improve in the near future.

Of the products normally on an import basis in Mexico, the corn crop this year is estimated to be below normal, and imports of from 4 to 8 million bushels will be necessary to meet the needs of the nation. A shortage of beans due to a poor crop is also anticipated. As for wheat and rice, it is estimated that the domestic supply will no more than meet domestic requirements, and possibly some imports will be necessary.

A subsidy on imports exempting a specified quantity of corn from the payment of duty was established on September 5. This measure, coupled with the export prohibition on wheat, beans, corn, and other items, demonstrates a recognition by the Mexican Government of the necessity of protecting the domestic supplies of these commodities.

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## SOUTH AFRICA REGULATES FRUIT MARKETING

In the hope of offsetting to some extent the effects of war interference with the normal marketing in export channels of the South African surplus of deciduous fruits, a plan, known as the South African Deciduous Fruit Regulatory Scheme, was adopted in that country on October 6, 1939, according to a report received in the Office of Foreign Agricultural Relations from American Consul James Orr Denby, at Capetown.

The scheme, set up under the Marketing Act of 1937, places the sale of the forthcoming deciduous-fruit crop under the control of a Deciduous Fruit Board. The Board has authority not only to control marketing but also to collect a levy not exceeding 6s.3d. ($1.24)[1] per short ton on fruit exports and of 1 percent on the gross proceeds of fruit sold in the Union of South Africa. The money obtained from these levies will be used partly for production advances to growers of deciduous fruit and partly for advances to processors of these fruits. In order to prevent the collapse of the deciduous fruit industry, a sum of £300,000 ($1,193,000) has been made available immediately to finance growers and a sum of £150,000 ($596,000) to finance the diversion into other channels of fresh deciduous fruit usually exported.

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[1] All conversions in this article made at the November 1939 rate of exchange.
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Normally South African deciduous fruit is exported to the amount of approximately 35,000 short tons annually. In 1938, a normal crop year, the net value of the fruit exports amounted to £791,000 ($3,144,000). The industry depends largely on the maintenance of specialized refrigerated transportation to the United Kingdom, the principal market. With the outbreak of the European war in September 1939, it became apparent that the normal exports of deciduous fruits would be partially, if not wholly, suspended in view of shipping hazards and the fact that fresh fruits are not considered an essential war requirement.

The deciduous fruit export industry in South Africa has been developed at great capital cost and is being conducted along highly specialized and scientific lines. It was anticipated that a suspension of exports, with a consequent drying up of the normal resources of credit obtained against such exports would make it virtually impossible for the industry to continue production, to prevent deterioration of orchards and vineyards, and to escape large-scale unemployment of skilled workers in the fruit-growing areas. It was therefore deemed advisable to work out some form of financial assistance and to provide some assurance that the export portion of the orchard and vineyard output would be absorbed in other ways.

The first objective of the regulatory scheme, therefore, is to provide financial assistance to the fruit industry in order to replace, at least partially, the production credits normally available through overseas fruit-importing agencies. The usual production credits thus made available to the South African growers have been estimated at approximately £500,000 ($1,988,000), or 60 percent of the net value of the exported fruit.

It was estimated that a minimum of £300,000 would be needed to prevent the collapse of the industry, to assure the continuation of production operations, and to produce a crop of good quality. That amount will be advanced by the Board to individual growers in sums varying in accordance with their exports during the past 2 years. The advances may be used only for production purposes and will be spread over the production period. In order to discourage growers in a position to finance their own operations from making use of the fund, interest will be charged on the advances.

The second objective of the regulatory scheme is to provide means for diverting as much as possible of the normal export surplus into other channels, such as drying, canning, jam, and wines. The problem of providing for the diversion of approximately 35,000 tons of fruit into such channels was recognized as a formidable undertaking, not only because export fruit is normally not in demand for such purposes but also because the cost of producing export-quality fruit exceeds the returns on fruit ordinarily flowing into those channels.

Under the diversion program, growers themselves are to be encouraged to dry as much as possible of the usual export surplus. Financial assistance and special equipment will be provided for that purpose. It is expected, however, that the bulk of the normal export surplus will have to be processed into wine, canned fruit, and jam. Such processing will be done under the immediate control of the Deciduous

Fruit Board. A sum of £150,000 will be made available to enable the Board to make the necessary arrangements for such processing.

Should unrestricted exports of fresh deciduous fruits become possible, the recovery of the £300,000 to be advanced to growers will be effected by the Board from the proceeds of the export sales. In that event, there will be no need for advances to finance the processing of the crop. On the other hand, if only limited exports are possible, only a proportionate amount of the production advance will be thus recoverable but the amount of the processing advance will be reduced proportionately. Repayment of any advances outstanding at the end of the season are to be effected from the sale of the processed products, which will be handled by the Board.

At this stage it is impossible to forecast the returns from the products into which the deciduous fruit crop may have to be converted. It is believed in South Africa, however. that such processed fruit will find a ready market in the United Kingdom and that at present values a substantial portion of the advances will be recoverable.

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